OFFICE OF THE HIGH COMMISSIONER FOR INDIA

Forwarded with the compliments of the Director General of Commercial Intelligence and Statistics, Council House Street, Calcutta. No part of the Report and no comments on or references to the subject matter should be published before the morning of the [illegible]th December, 1936.

REPORT

on the work of the

INDIAN TRADE COMMISSIONER

during 1935-36

By

Dr D B MEEK, C.I.E., O.B.E., D.Sc

LONDON

1936

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OFFICE OF THE HIGH COMMISSIONER FOR INDIA

India House, Aldwych,
London, W.C. 2.

2nd October, 19[illegible]

No. T. 40A—2—7.

From *The High Commissioner for India,*
London.

To *The Secretary to the Government of India,*
Department of Commerce,
New Delhi.

Sir,

I am directed to forward herewith for the information of the Government of India, the report submitted by the Indian Trade Commissioner, London, on the work of his Department during the year which ended on the 31st March, 1936.

2. The reports of the Indian Trade Commissioners in Hamburg and Milan describe the economic situation in Northern Europe and in Southern Europe respectively. Dr. Meek, after a broad survey of world conditions, proceeds in his present report to analyse, in some detail, the economic developments in the United Kingdom, United States of America, Japan and some of the principal European countries. It will be seen that indications of recovery during 1935-36 were more pronounced than in the previous year, especially in the United Kingdom and in the countries which had linked their currencies with sterling. Owing to the chaotic conditions that prevail in most of the countries in Europe, there has been a natural tendency to concentrate on domestic trade and the improvement recorded must be attributed to national rather than to international adjustments and recovery. Progress was more marked in regard to the heavier industries and particularly those connected with rearmament. The external trade of the countries in the sterling group showed a decided improvement, the imports of the United Kingdom being the highest since 1932 and exports the highest since 1930.

Business activity in Great Britain was 15 [illegible] higher than in 19[illegible] whilst the number of unemployed continued to decrease and was

the lowest since 1930. The production of steel was the highest on record, and the British iron and steel industries have never been in a more favourable position since the war in comparison with their Continental rivals. The motor car industry, which now ranks as the third largest in this country, increased its output by 25%. The depression in the cotton industry, however, still continues, and it has been aggravated by uneconomic competition and trade disputes.

3. The developments in regard to raw cotton which are of interest to India are:—

(a) The extension of the area under cotton in Russia;

(b) The prospect of a larger yield in 1936 in countries within the British Empire other than India;

(c) Japanese plans to exploit the cotton fields of China with a view to self-sufficiency.

Lancashire continues strenuously to encourage the use of Indian cotton by research, propaganda, and other methods in pursuance of its undertaking at the Ottawa Conference. There was a slight decline (less than 2%) in regard to imports of long staple cotton, but the imports of short staple cotton into England in 1935 were 823,000 centals, as compared with 684,000 centals in 1934, and 450,000 centals in 1933, though prices did not consistently encourage this larger offtake of Indian cotton by the United Kingdom market.

In regard to the rubber situation in general, and the Indian situation in particular, the important features were the reduction of world stocks by nearly 100,000 tons and the successful conclusion of the negotiations for increases in the India and the Burma export quotas under the international agreement. Rubber prices ranged from 5 17/32d. per pound in September, 1935, to 7 7/16d. per pound in March, 1936, as against an average of 2 11/32d. in 1932. Indian exports to the United Kingdom in 1935-36 were less than in 1934-35, but were a little over three times those in 1933-34.

The total value of jute exported from India rose from about Rs. 32 crores in each of the years 1933-34 and 1934-35 to Rs. 37 crores in 1935-36; but the position is not free from disturbing factors. With the general movement in the direction of economic self-sufficiency, competing fibres have made some progress, while the development of bulk transport continues to be a menace to the jute industry. The industry is, however, fully aware of the dangers of the situation, and the report contains a detailed description of the organised measures taken to meet the attacks on this important Indian trade.

As is well known, total exports of tea to world markets from the main producing countries are regulated according to an international tea regulation scheme. The value of the imports of Indian tea into the United Kingdom declined from Rs. 18.15 lakhs in 1934-35 to Rs. 17.68 lakhs in 1935-36. The Tea Market Expansion Board continued its propaganda to stimulate the consumption of tea.

In regard to rice, trade reports indicated an overstocked market in 1935. The exports of this commodity from India to the United Kingdom increased from 644,000 cwt. in 1933 to 895,000 cwts. in 1934 and 1,880,000 cwts. in 1935.

Imports of Indian tobacco have also increased from Rs. 34 lakhs to Rs. 44 lakhs and there are definite indications of a growing interest on the part of manufacturers in Empire tobacco. The introduction of Empire tobacco into cigarette manufacture in the United Kingdom would, as Dr. Meek observes, open up an enormous field in which India should be able to participate with profit.

The position in regard to the hides and skins trade was on the whole encouraging so far as the United Kingdom and France were concerned but German trade restrictions considerably hampered exports to that country.

Coffee is now one of the commodities in regard to which organised efforts are being made for the stimulation of consumption. An export cess on coffee is now collected and handed over to a committee to be administered in the interests of the trade. The constitution of this committee and its functions are described in the chapter of the report on planned economy.

7. The report as usual includes a chapter on Indian timber by Sir Hugh Watson, the Timber Adviser to the High Commissioner. It will be observed that imports of Indian timber into the United Kingdom were 31,000 cubic tons in 1935 as against 29,000 cubic tons in 1934, the increase being almost entirely in teak.

Lac and shellac are also the subject of a separate chapter written by Mr. Gibson, the Special Officer, Lac Enquiry, London Shellac Research Bureau. As a result of the research work of the organisation set up by the Lac Research Bureau, enquiries regarding lac have increased but the disastrous effects of the operations of the shellac pool in 1934-35 continue to be a depressing factor in the lac trade.

Chapter VI, written by Mr. G. H. Tipper, Minerals Adviser to the High Commissioner, deals with the export trade from India of the minerals produced in that country, and brings out the fact that the recovery in the minerals trade is largely due to the programmes of rearmament in various countries, the building boom in the United Kingdom, and the increased activity in the electrical industries. The year 1934/35 showed a very large increase in the exports of manganese ore from India and the exports of mica also improved greatly, reaching the high total of 167,000 cwts.

The policy of trade publicity was actively pursued during 1935/36, as will be seen from chapter VII prepared by Mr. B. D. Asli, the Publicity Officer of the Trade Department. The exhibitions and trade fairs in which the Department participated reflected the increasing prosperity in the United Kingdom and the results derived from this form of publicity showed encouraging expansion. The orders booked were larger in volume and samples were sold at the stalls to an increasing degree.

4. The High Commissioner desires to bring to the notice of the Government of India the high ability and zeal with which Dr. Meek has continued to perform his duties in the interests of India's trade, and he also wishes to endorse Dr. Meek's remarks of appreciation regarding the excellent work of the officers and staff of the Trade Department. The work of the Department has, during recent years, not only increased in volume and complexity, but has become especially difficult owing to the numerous fiscal and other barriers imposed by European countries. The High Commissioner also takes this opportunity of acknowledging with thanks the very valuable assistance which has invariably been freely given by official and non-official organisations in this and other countries to the Trade Department.

I have the honour to be, Sir,

Your most obedient Servant,

B. RAMA RAU,

Deputy High Commissioner.

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REPORT OF THE WORK OF THE INDIAN TRADE COMMISSIONER, LONDON, 1935-36.

INTRODUCTION.

The Office of the Indian Trade Commissioner, London, now in its nineteenth year of existence, deals with all enquiries relating to the export trade from India to the United Kingdom and America. In its earlier years it also dealt with enquiries connected with the export trade from India to the European Continent, but such enquiries have now been taken over by the Indian Government Trade Commissioner, Hamburg, in so far as they relate to Northern Europe and by the Indian Government Trade Commissioner, Milan, whose office was opened on 1st February 1935, in so far as they relate to Southern Europe. This report for the year 1935/36 therefore deals in greater detail with the economic events which have taken place in the United Kingdom and in American countries than elsewhere. But it cannot altogether avoid a reference to similar events in the leading European countries on the Continent. For one thing, whatever self-sufficiency may, in time, be achieved by the policy of economic nationalism now pursued by most Continental countries, there is no possibility of the isolation of any particular country from the immediate effects of such a policy, whose reactions do not stop at the frontiers, but travel far and wide. An agricultural country, such as India, anxiously awaiting the revival of world trade and the return of unrestricted markets for her commodities, cannot fail to be deeply concerned with the economic conditions on the Continent, and is bound to follow closely European events of more than local importance. The existing arrangements by which the Indian Trade Commissioner, London, in his capacity as Secretary to the High Commissioner in the Trade Department, remains in close touch with the Indian Government Trade Commissioners at Hamburg and Milan, ensure that all information relating to trade conditions on the Continent is reported to him at some stage or other for purposes of record. He has therefore available to him information received from valuable sources from which to furnish a general account of the European economic conditions. That, however, does not end his task. By means of his report, it is hoped to advise the general and commercial public in the United Kingdom, India and elsewhere, regarding economic developments in India during the year under review. The different parts of his report are thus addressed to different sections of the public.

I acted as Indian Trade Commissioner throughout the year, except for an interval of a little over a month. On the 4th September, 1935, I proceeded to Ottawa to represent the Government of India at the Conference of British Commonwealth Statisticians and returned on the 19th October, 1935. Mr. Y. N. Sukthankar, Deputy Trade Commissioner, officiated as Indian Trade Commissioner during the period of my absence. He occupied the post of Deputy Trade Commissioner for the rest of the year. Sir Hugh Watson, Mr. Tipper and Mr. Gibson continued throughout the year in their respective posts of Timber Adviser to the High Commissioner, Minerals Adviser to the High Commissioner, and Special Officer, Lac Enquiry. Mr. B. D. Asli, Indian Trade Publicity Officer, remained in charge of the Publicity Section of the Trade Department throughout the year, except from 2nd August, 1935, to 21st September, 1935, when he was away in connection with the Toronto Exhibition. He has furnished a full report of that Exhibition in the quarterly report for the quarter ending September, 1935.

The work of this Office in the matter of trade assistance can probably best be explained at the outset by stating what it does not include. It is not concerned with any commercial policy. Policy is a matter for the Government of India. Secondly, it is not concerned with the import trade into India. That is the function of the Department of Overseas Trade, so far as the United Kingdom is concerned, and of the corresponding departments in other countries so far as foreign imports into India are concerned. Thirdly, it does not undertake any business itself, nor does it undertake any financial responsibilities when bringing about trade connections. Fourthly, it will not advise people about their investments or solicit capital for new projects, although it can often help with information bearing on these points which is likely to be useful to trading concerns interested in the export trade of India. The activities of the Trade Commissioner for India can be grouped under three main heads:—

(1) Commercial Intelligence,

(2) Commercial Publicity,

(3) Commercial Committees.

The term "Commercial Intelligence" covers not only trade enquiries from Indian exporters seeking to extend their connections with the United Kingdom and America, and from importers in those areas desiring to import Indian goods, but also correspondence with, and services rendered to official, semi-official and unofficial bodies in India. These services include research work undertaken

on behalf of the Imperial Council of Agricultural Research in India, and the testing of local markets for the prices obtainable for Indian goods. Special reports are written from time to time by the office of the Trade Commissioner for India on special features of India's export trade and these reports are published in the Indian Trade Journal if they are not of a confidential nature. Most of this information and replies to any enquiries received direct from business men in India are invariably addressed in duplicate to the Director-General of Commercial Intelligence and Statistics, Calcutta, who forwards one copy to the enquirer and retains a duplicate to enable him to reply to any further enquiries of a similar nature that may be addressed to him. Trade enquiries from India relating to foreign markets should therefore be addressed in the first instance to the Director General of Commercial Intelligence and Statistics at 1 Council House Street, Calcutta. He may already have in the extensive records which have been built up in Calcutta over many years the whole or part of the information required, and he will know on what points further enquiries have to be addressed to the Indian Government Trade Commissioner in London, Hamburg or Milan. If the information asked for is already on record in Calcutta the enquirer will obviously save time if he writes to the Director General of Commercial Intelligence in the first instance.

As an exception to the general rule that the Trade Commissioner does not deal with enquiries relating to imports into India, import enquiries from Indian firms in England or in India are taken up provided they do not relate to goods which would enter into competition with Indian products. Information is furnished regarding machinery and processes to business men and Government Departments in India desiring such assistance for the purpose of furthering the agricultural and industrial development of India. Assistance is also given to Indian merchants encountering difficulties in their dealings with foreign merchants, whether in import or export lines of trade, and the department has been able to settle several disputes in which Indian firms were at a disadvantage either through their remoteness or lack of close personal contact with western firms, or through misunderstandings having arisen on either side. The department has also been able to assist Indian interests in a number of important cases in which difficulty has been experienced in clearing the merchandise through the Customs.

Commercial publicity covers a wide range of activities from the organisation of Indian stands at exhibitions and fairs, including poster demonstrations of Indian foodstuffs and the sale

displaying of Indian films, the giving of lectures and the distribution of pamphlets on Indian trade subjects and the loan of lantern slides and films to schools and other institutions.

The Exhibition Hall, Library and other public rooms at India House serve a useful purpose in their display of panelling, furniture and flooring manufactured from Indian decorative woods. All the timber used for constructional or furnishing purposes comes from India. The Exhibition Hall contains a fine collection of artistic products of India, including gifts by His late Majesty King George V and by Queen Mary, gifts by the Central and Local Governments in India, by Indian States and by individuals, both Indian and European. Samples of the best grades of Agricultural, Mineral and Forest products of India are displayed in the Commercial Samples Room, and the Director of the Imperial Institute co-operates with the High Commissioner for India in the display of samples of Indian produce and manufacture in the Indian Gallery of the Institute. The Industries Departments of several Provincial Governments in India (Bihar and Orissa United Provinces, Madras and Punjab) have lately taken steps to encourage the sale of the products of cottage industries by appointing an Agent in England, who works under the general supervision of the High Commissioner as exercised by the Trade Department. Commercial Committees: The work of the Trade Department on the Commercial Committees has been increasing during the last few years and some details regarding the nature of that work will be found in Chapter VIII.

The chapters in this report which deal with Commercial Intelligence under the various heads of agriculture, timber, lac and minerals and with Commercial Publicity, have been written by the various officers of the Trade Department primarily concerned with those subjects.

Chapter I.—Modern Trade Tendencies.

The chapter is divided into three sections, viz., Survey, Planned Economy, and India and the United Kingdom Market. The survey begins with a rapid summary of last year's survey, and goes on to describe briefly the broad features of world

economy. This is followed up by a somewhat detailed description of the economic conditions in the United Kingdom, some of the European countries, the United States of America and Japan,* with special reference to certain trades and industries. The survey ends up with a detailed description of the economic developments in India during the year under review. Planned economy, so far as this report is concerned, deals with commodities which are not left entirely to the interaction of the economic forces of supply and demand but are either regulated or assisted at some stage from the field to the factory or the factory to the consuming public. The chapter closes with the section on India and the United Kingdom market which deals among other topics with the export trade from India to the United Kingdom with special reference to commodities occupying a prominent place in that trade.

Survey

For a proper appreciation of the economic conditions in European countries and other important trading countries such as Japan and America during the year under review, a summary of last year's survey is useful as a starting point. Briefly, the conditions then were: (1) The countries which had effected controlled depreciation of their currencies in unison with sterling had, in general, fared better than the countries which had maintained the gold parity. (2) Broadly speaking, the members of the "sterling group" had recovered to a greater extent than those in the "gold group", and countries in the sterling group supplying raw materials had shared in the improvement. (3) The main obstacles to greater improvement were (a) the lack of international stabilisation of currencies and (b) the formidable trade barriers in the shape of high tariffs, quotas, clearing agreements. (4) India had shown signs of moderate improvement, judging from the upward trend of exports, increased circulation of notes and cheque clearances, a rise in the prices of 3½% Government paper and of speculative and non-speculative industrial securities, the steadiness shown in the index number of All-India wholesale prices and an increase in the total approximate gross earnings of all State-owned Railways. If the economic conditions during the year under review had to be summed up in one or two words "Recovery continued" would be the suitable caption. Indeed the year could be said to have ended [illegible]

* For a description of the economic conditions in Northern Europe and in Southern Europe the reports [illegible] Trade Commissioners at Hamburg and Milan [illegible] may be seen.

a more confident note than its predecessor, at any rate, so far as Great Britain and the British Empire are concerned. The same remarks could be applied, without any serious fear of contradiction, to the "Sterling Group" as a whole. Although there are some indications of improvement in the "Gold bloc," reliable signs of definite recovery are still lacking. Indeed, with some countries included in the "Gold bloc" conditions have gone from bad to worse. Broadly speaking, the outstanding features of the recovery are: (1) The improvement has been fundamentally in domestic trade; (2) The heavier industries and those connected with rearmament have showed a marked improvement. In Great Britain some of the relatively newer industries, such as the motor car and the film industries, have made considerable headway; (3) The overseas trade has displayed some improvement, at least for the countries in the sterling group, the United Kingdom imports being the highest since 1932 and the exports highest since 1930; (4) Wholesale prices have been on the upward grade in most countries; (5) In spite of the improvement, industry in Great Britain is still using much less money than in 1929, although money was dearer then. In most countries, the policy of cheap money has remained in force, except on occasions when rates of interest have had to be raised to meet monetary crises or to check the flight of capital.

What have been the influences at work behind these trends whose broad features have been stated above? In what direction and with what strength are these influences working? What is their application to India and her trade? These are some of the questions for the answers to which this survey must supply materials. It may be convenient to begin with a selection of the outstanding events during the year under review which, by their importance, have initiated or influenced certain economic developments. The year 1935-36 may easily take its place as one of the most eventful years of the post-war era, being full of occurrences of first-class political and economic importance. A series of currency crises within the "Gold bloc," the judicial shocks to the new deal in the United States of America, International Conferences dealing with delicate questions of far-reaching importance, the Silver Jubilee of the late King-Emperor, evoking a wonderful display of loyalty and drawing together the ends of this far-flung Empire by bonds of unity and giving through the Jubilee celebrations an inevitable stimulus to trade, the closing of that reign nine months later amidst universal sorrow and the beginning of the new reign with messages of homage and loyalty from all over the Empire, the General Elections in Great Britain, and in some of the Dominions, the Italo-Abyssinian war, with its episodes leading at times to situations of the greatest delicacy

—these are some of the events which will make the year a memorable one and of which even a brief review must take note.

In spite of these disturbing events in the political, financial and currency spheres, world economy showed a further advance as compared with the previous year. Industrial output throughout the world advanced appreciably with certain exceptions in what is known as the 'Gold bloc' area. A gradual improvement in commodity prices has taken place, especially in the prices within a great majority of countries whose currencies have been devalued or depreciated. Agricultural prices have shared in the improvement and there has been an appreciable improvement in the economic conditions of such agricultural countries as the Argentine, Australia, Brazil, Canada, the United States of America, the Dutch East Indies and India. The increased consuming power resulting from the higher prices of the agricultural products of these countries must eventually lead to an increased demand for manufactures and this, together with the domestic revival in the industrial countries, will help to accelerate the general improvement. The continuous decline of unemployment in most European countries and in America, besides being a *welcome sign of the general recovery, will, in turn, hasten forward* further recovery. On the other hand, the value of the international trade has not shown any appreciable increase over the previous year. Economic nationalism still dominates the field and derives fresh strength from political and military, rather than economic, considerations. In the early days of the depression it sought its justification in each case from the necessity to maintain an active trade balance and defend the national currency. Now the fear of war and the constant need of self-sufficiency in foodstuffs and raw materials for purposes of defence, is the real reason behind the policy of autarky. It has also to be admitted that in most countries, at least part and sometimes a substantial part of the economic improvement which has taken place has resulted from the widespread policy of rearmament and the undertaking of war-like preparations.

After this rapid sketch of the world economy, it may be convenient to fill in the details showing economic developments in some European countries, in the United States of America and in Japan.

During 1935 the business activity in Great Britain was 11[illegible] of the 1924 level. The average number of insurable workers was higher than in 1924 and exceeded the number in the last boom year 1929 by 11[illegible],000. The number of unemployed persons was

the lowest since July, 1930, and was down to about 1,858,000 in December, 1935. The production of steel was 9,842,400 tons, the highest on record; the output of pig iron and steel ingots was 180% of that in 1932. The British Iron and Steel Industry now stands in a far more favourable position *vis-à-vis* its competitors than at any time since the War. The total production of steel ingots and castings in 1935, viz., 9,842,400 tons, exceeded the 1934 output by a little over 11% and out-stripped the boom figures of the War year 1917 and the post-war year 1929. The total output of pig iron amounted to 6,426,400 tons, representing an increase of 7.7% over the output in 1934. Pig iron output is still lower than in 1929, because of the greater proportion of scrap now used in steel making and in foundries, the decline in the pig iron exports and the production of wrought iron. The iron and steel industry owes its recovery to the increased demand from the domestic consuming trades, particularly from the building and constructional industries. The motor manufacturing industry, the railways, the engineering trades, and the ship-building yards, which witnessed increased activity during the year under review, have also contributed to the recovery of the iron and steel industries. Dumping in this country of Continental steel was terminated by the agreement between the representatives of the United Kingdom and Continental Steel Industries on July 31st, 1935. Note must also be taken of the potentialities of these agreed arrangements between the United Kingdom and Continental Steel interests as regards the export trade.

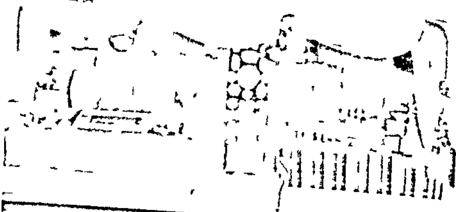
Aircraft Industry.

Passing mention should also be made of the considerable activity taking place in the aircraft industry from the expansion of the R.A.F. With the organisation and development of air lines at home and abroad, the aircraft constructing industry and the export trade in aircraft showed encouraging signs of improvement.

Motor Car Industry.

The motor car industry now ranks as the third largest manufacturing activity in the United Kingdom. During 1935 the leading motor car makers increased their output by 25% and found a market for this production. Expansion on this scale reflects an enlargement of spending power at home and the revival of the European and some foreign markets. The motor car, once a luxury, has now become almost a necessity, and there

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[illegible] evidence to show that people of relatively small means are now making their [illegible] of the [illegible] transport. [illegible] reports of [illegible] of the [illegible] [illegible] [illegible] suitability. The supply of [illegible] [illegible] which account for [illegible] of the [illegible] [illegible] [illegible] representing labour charges [illegible] mechanised vehicles in [illegible] transport. [illegible] horse-drawn transport [illegible] workers [illegible] employment [illegible] [illegible] thus leading up to a [illegible] employment and the tendency [illegible] the [illegible] [illegible] [illegible] present level [illegible] in order to [illegible] [illegible] expenditure for wages [illegible] [illegible] [illegible] the production cost at the [illegible]

C[illegible] INDUSTRY

The cotton industry is still faced with difficulties [illegible] for it has not been possible to [illegible] [illegible] the growth of the [illegible] of Lancashire [illegible] [illegible] [illegible] industry. The Japanese [illegible] [illegible] for the decline in the cotton industry in the former markets. The situation is not [illegible] [illegible] industry in the United Kingdom [illegible] the failure to reach agreement on the wages and [illegible] competition and [illegible] It is reported that as a result of the wages and other [illegible] the rising generation in cotton towns [illegible] [illegible] decline in the industry cotton career and the cotton [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] these features however [illegible] [illegible] [illegible] research work in Lancashire [illegible] [illegible] products of the best quality [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] helpful feature is the [illegible] [illegible] [illegible] [illegible] steadiness in its price as shown by the following table [illegible] of two of the most widely used types of cotton.

[illegible]	[illegible] (cents per lb)	[illegible] (pence per lb)
January [illegible]	[illegible]	[illegible]
February	[illegible]	[illegible]
March	[illegible]	[illegible]
April	[illegible]	[illegible]
May	[illegible]	[illegible]
June	[illegible]	[illegible]
July	[illegible]	[illegible]
August	[illegible]	[illegible]
September	[illegible]	[illegible]
October	[illegible]	[illegible]
November	[illegible]	[illegible]
December	[illegible]	[illegible]

The U.S.A. had a large carry-over from the previous season and the area under cotton is again being curtailed. Although details are not available, Russia is extending her cotton-growing area and now claims to be second only to the U.S.A. Egyptian cotton has not fallen off in quality or quantity, and approximately half of the yield is taken by England. The British Empire, apart from India, produces half a million bales of cotton, and the prospects of a larger yield in 1936 are distinctly encouraging. Japan proposes to exploit the Chinese cotton fields and is working for self-sufficiency in the course of time. Indian cotton interests will no doubt take due note of these changes, which are likely to affect the demand for Indian cotton in future years. The Lancashire Indian Cotton Committee, which is now in the third year of its existence, strenuously pursued its activities in connection with the Ottawa undertaking to encourage the use of Indian cotton. In view of the notice of termination of the Ottawa Agreement, the Committee sought guidance in regard to its future operations, and has been advised by the President of the Board of Trade to continue its activities in the meantime. The following figures show the offtake of Indian Cotton, both long and short staple, by the United Kingdom market during the calendar years 1933-1935 and in the first quarter of 1936.

		1933.	1934.	1935.	1936
		(In '000 centals of 100 lbs.)			(Jan. to March.)
Cotton Raw under 1¼ inches and over ⅞ inch ...	India ...	638·7	846·7	831·0	312·4
	U.S.A. ...	7447·6	4493·2	5506·7	1594·0
	Egypt ...	937·8	899·4	1026·3	230·1
	Total ...	10704·7	9406·1	9358·1	2638·5
Cotton Raw of ⅞ inch and under	India ...	450·5	684·0	822·7	336·0
	Total ...	565·3	784·7	987·4	384·3

The following tables, giving the prices, with parities of Indian and American cottons at Liverpool, from April, 1935 to March, 1936, will prove of interest —

	Middling American d. per lb.	Fine Broach d. per lb.	Parities (Indian % on American)
1935			
April 5	6.35	5.62	88.5
,, 12	6.65	5.80	88.2
,, 19	6.63	[illegible]	88.8
,, 26	6.79	6.03	88.9
May 3	6.81	6.01	88.3
,, 10	6.88	6.10	88.7
,, 17	6.90	6.08	88.1
,, 24	7.01	6.03	86.0
,, 31	6.92	5.8	84.3
June 7	6.83	5.84	85.5
,, 14	6.76	5.82	86.1
,, 21	6.79	5.88	86.6
,, 28	6.85	5.93	86.6
July 5	6.94	6.08	87.3
,, 12	6.94	6.10	87.9
,, 19	7.02	6.20	88.3
,, 26	6.80	5.94	87.9
Aug. 2	6.68	5.81	87.0
,, 9	6.49	5.61	86.6
,, 16	6.56	5.63	85.8
,, 23	6.33	5.31	83.9
,, 30	6.21	5.19	83.6
Sept. 6	6.11	5.19	84.9
,, 13	6.17	5.21	[illegible]
,, 20	6.33	5.32	84.3
,, 27	6.40	5.45	[illegible]
Oct. 4	[illegible]	5.78	87.7
,, 11	6.50	5.80	[illegible]
,, 18	6.40	5.77	90.2
,, 25	6.47	5.84	90.3
Nov. 1	6.45	5.87	91.0
,, 8	6.47	5.93	91.7
,, 15	6.77	6.21	91.7
,, 22	6.77	6.20	91.6
,, 29	6.54	6.11	92.7
Dec. 6	6.67	6.02	90.3
,, 13	6.50	5.85	90.0
,, 20	6.38	5.81	91.1
,, 27	6.41	5.81	90.6
1936.			
Jan. 3	6.44	5.81	90.7
,, 10	6.07	5.49	90.4
,, 17	6.13	5.46	89.1
,, 24	6.17	5.46	88.0
,, 31	6.14	5.39	87.8
Feb. 7	6.07	5.29	87.3
,, 14	6.21	5.41	[illegible]
,, 21	6.17	5.37	87.0
,, 28	6.03	5.21	86.3
Mar. 6	6.12	[illegible]	[illegible]
,, 13	6.30	5.39	[illegible]
,, 20	6.24	5.39	[illegible]
,, 27	6.44	5.43	84.3

Scandinavian Countries.*

The Scandinavian countries have had another prosperous year, although the conditions have varied somewhat in the individual countries. Growing volume of business on the Stock Exchange in 1935, as compared with previous years, gives a definite indication that Norway has had a prosperous year. A better home market, increased foreign demand for whale oil, improved purchasing power resulting in increased imports, and better freight earnings, have contributed to this prosperity. The index of industrial production which finds a sale on the home market was 120.4 in October, 1935, and the index of industrial production for export trades 111.8 (1st half of 1933 = 100). Although the freight earnings have been better in 1935 than in previous years, there is still room for improvement, and the shipping industry remains in a somewhat difficult position in spite of the welcome reduction in the tonnage laid up. The strength of the gold and the foreign exchange reserves is a further indication of Norway's improved financial position.

Denmark.

The year 1935 has been a better year for Danish agriculture than the previous year. In spite of fluctuations in the prices of the main agricultural produce, the average prices of bacon and butter have been 5% and 21% higher, respectively, than in 1934. The average price of eggs has remained much the same as in 1934, but the exports of eggs have been higher in 1935 than in the previous year, whereas the exports of bacon and butter declined by 10% and 8%, respectively. The position of the Danish industries has improved as a result of the protection given by the import restrictions. Freight rates have been better than in the previous year and shipping has done well.

Sweden.

The Swedish industries have again done well and shown further improvement. There has been some talk of the building activity slackening somewhat in the near future, but, with the Government undertaking to start public works on a large scale, it is expected that there will be no reduction in the consistent activity of the Swedish industries. Swedish imports from Germany declined, while the exports to that country increased: but the balance of trade is still in favour of Germany.

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* Details of India's trade with countries in northern Europe are given in the report of the Indian Trade Commissioner, Hamburg, and for southern Europe in that of the Indian Trade Commissioner, Milan.

The Anglo-Swedish trade is now showing a tendency to balance, whereas formerly the ratio for Swedish exports to Britain when compared with the Swedish imports from Britain worked out at five to three. Freight earnings have improved and although Sweden has had an adverse balance of trade it is expected that, due to improved freight earnings and the foreign profits of international Swedish Companies the balance of payments will show a surplus in Sweden's favour. The foreign exchange position of the Riksbank is reported to be strong which supports the expectation that the balance of payments is still on the right side. The reduced amount of visible foreign lending is a notable feature of the financial position in Sweden during the year under review.

France

The struggle between the rival schools of deflation and devaluation continues in France, the policy of deflation still holding the field. This policy has, however, failed so far to bring about recovery, and one looks in vain for any signs of the economic improvement which has manifested itself elsewhere. France has not experienced the almost universal rise in the indices of production. The delay of recovery in France can be seen from the following indices of production for the last three years —

November, 1933	107 (1913 = 100)
November, 1934	94
May, 1935	92
End of 1935	94

There was a slight improvement in the textile, iron and steel and building trades, which is reflected in the index of production. Towards the end of 1935 the index of business activity was below 73 for the greater part of the year except during May, when it stood at 77.2. The average of unemployment was much higher than in 1934. A sharp fall in the wholesale price index was the result of the policy followed by the Laval Government in the endeavour to bring about an improvement by means of deflation. The difference between French and foreign prices has, as a result, contracted appreciably since 1934. The margin between the indices of French and foreign prices had been 94. By November 1935 it was reduced to 68. But a fall in prices has an adverse effect on the French revenue, as the Fiscal system is largely on an *ad valorem* basis. Railway receipts have continued to decline, the wagons loaded numbering 13,193,442 in 1935 as against 14,007,179 in the previous year. Bankruptcy statistics bring home forcibly the difficult business conditions prevailing and work out at a monthly average of 841 in 1935 as against 662 in 1931. The catastrophic fall in agricultural prices has hit the French peasant very hard

and reduced the general purchasing power in the country. It would appear that the reduction in prices has not succeeded in restoring the French markets and the schemes for promoting trade among the "Gold bloc" countries have so far proved unsuccessful. There is a general lack of confidence in the business world and the general improvement experienced elsewhere had not yet touched France.

Belgium.

Belgium, like France, also witnessed the struggle between the rival schools of deflation and devaluation, and pursued the policy of deflation for some time; but on 31st March, 1935, the issue was decided in favour of devaluation, the extent of the devaluation being 28%. It is too early to judge of the permanent effects of the new policy, but the immediate effects have been the repatriation to the Belgian Banks of the funds which had been transferred abroad, a rise of about 10% in retail prices in Belgium and a healthy activity in shipping and other fields responsible for invisible exports. It will probably be some time before the influence of the lower cost of Belgian goods in foreign currency resulting from devaluation becomes apparent in the increased value of total exports.

Holland.

Holland, on the other hand, has followed the policy of deflation, pure and simple. Although on the whole the year has been a quiet one, the safety of the guilder was attacked thrice during the year –in April, July and September. The April and July attacks were due in some measure to speculative activities, whereas the September attack was characterised by the flight abroad of Dutch capital. The Netherlands Bank met the situation by raising its discount rate to 6%, and this step checked the gold drain. Dutch foreign trade has suffered a contraction, as will be seen from the following figures:—

(In 1,000,000 guilders.)

January–November.

	1930.	1931.	1932.	1933.	1934.	1935
Imports	2,253	1,752	1,192	1,102	965	863
Exports .. .	1,601	1,231	776	673	656	623
Import surplus .	652	521	416	429	309	240

Although the import surplus has shrunk, not much comfort can be drawn from that, as the decrease in the import surplus has been accompanied by a continuous falling off in exports, and, on the whole, the shrinkage of imports denotes a decrease in the imports of raw materials, which probably indicates that internal

production has received a setback The state of affairs in the Netherlands East Indies, however has shown a definite improvement, the budget is nearly balanced the international regulation schemes have benefited its important products, Tin Rubber and Tea, and have resulted in an improvement of the leading industries

Germany and Italy

The economic development of these two countries in the year under review, with special reference to the trade with India of the two countries, will form the subject matter of the Annual Reports issued by the Indian Government Trade Commissioners at Hamburg and Milan A brief sketch of the conditions in Germany and Italy is, however, included here in order to complete the picture of European conditions

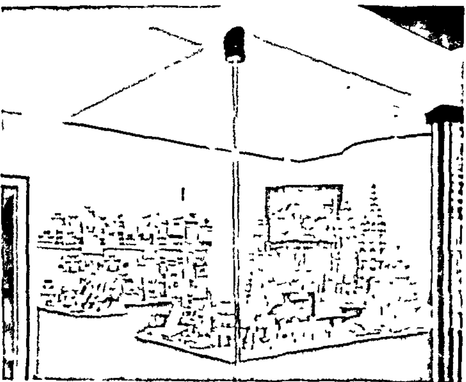
Generally speaking, military and international political considerations have dominated the economic development of these two countries, and industries connected with re-armament for the national defence have done well This development has helped to keep down unemployment in Germany at a stage when the State's work-creating schemes had almost been completed Even so, the annual rate of increase of industrial production has fallen off in the iron and steel industry, the production of pig iron and ingot steel had advanced by 43% and 35% respectively in 1935 as against 63% and 67% in 1934 The output of coal mining increased by 11% as against 16% in the previous year It has also to be noted that the large coal production in 1935 was due to the transfer of the Saar territory to the Reich in the month of March of that year A sharp contrast between the conditions in domestic and in foreign trade continues and exports have been subsidised by the collection of a levy, called "Voluntary Contribution imposed upon the industries This levy really amounts to taxation of the domestic sales to assist the expansion of exports The stringent regulations of foreign trade, which commenced in the autumn of 1934, still continues, and Germany, as a result, is suffering from a shortage of raw materials No efforts are spared, however, to increase domestic production of raw materials normally imported from abroad or to evolve substitutes for such materials In this latter field success is claimed for production of synthetic petrol, mineral oil and artificial textiles, but there is a growing scarcity of supplies of rubber, oil, cotton, leather, fats heavy oils, copper and all the other base metals The steel industry is also suffering from inadequate supplies of high grade ore

Detailed information has not been forthcoming regarding the economic conditions in Italy, especially since October, 1935 Also

from October, 1935, the Bank of Italy has ceased to issue the usual Bulletin on the financial situation. Although sanctions exerted pressure on the internal economy of Italy, industrial activity was well maintained and a great advance took place in the industries supplying equipment for the East African Expedition. Crop yields are reported to have been large, and domestic supplies of wheat, sugar, rice and other staple foods did not suffer. The electrification of railways has been extended, thus considerably reducing the country's coal requirements.

United States of America.

The year under review will be memorable in the economic history of the U.S.A. for the judicial shocks which the "New Deal" received, but in spite of these, or, according to some, because of these, business showed better progress than in the previous year. Industrial production made greater progress than during the abortive boom of June/July, 1933, and some of the credit for the improvement must be given to the stimulus received by *trade and industry from general relief spendings, especially* in the farm implements and motor manufacturing industries. These industries, in their turn, made their influence felt on steel production. The motor car industry maintained in the first ten months of 1935 an average of 96% of the production over a period of years against 76% in 1934. Similarly, the average for the steel industry worked out at 75% as against 60% in 1934. The index of production for the textile industries advanced from 97 in December, 1934, to 112 in October, 1935. Agricultural production, however, and the industries connected therewith, did not show a corresponding improvement. The lumber trade, for example, only rose in October, 1935, to 42% of the average reached in 1923-25, and freight car loadings displayed no more than a slight improvement towards the end of 1935 when compared with 1934. The export trade in the first ten months achieved a slight advance when compared with the same period of 1934, the improvement in the export of manufactured goods being offset by a decline in the export of agricultural products. Non-agricultural exports constituted 70% of the total exports. Imports, on the other hand, registered an increase of 23% during the same period. The imports of foodstuffs increased in the same period by 31%, and those of crude and semi-manufactured products and of manufactured products by 25% and 16%, respectively. The official statistics relating to unemployment are not complete, but according to one estimate there were just over nine millions unemployed in October, 1935. This shows a decrease of 8.6% from the unemployment figures a year earlier, and it is believed that there has been a further decline in unemployment towards the end of 1935. Commodity prices showed an appreciable rise. Between December, 1934, and October, 1935, the index, which covers 784



INDIAN STAND FOOD SECTION BRITISH INDUSTRIES FAIR 1938

wholesale commodity prices, advanced from 76 9 to 80 6 (1 100) The cost of living of wage earners rose by 4 3% be November, 1934, and November 1935 according to the National Industrial Conference Board To view the facts from a different angle, the purchasing power of the do according to the Board, was at 118 6 cents in November 19 against 119 2 cents in October and 125 8 cents in November 19 and 100 cents in 1923

JAPAN

The year was notable for expansion of foreign trade. Th extra cost in Japanese currency of imported raw materials wa countered by the cheapness of raw materials in the world markets and the low wages of Japanese operatives, due to the low cost of food in Japan The discount rate remained undisturbed for the third year in succession money was cheap and commodity prices continued to rise slowly Japan is trying to reach self sufficiency in the supply of some of the commodities which she at present has to import, e g cotton and wheat Her recovery in trade expansion coincided with uninterrupted preparations of a military nature The Budget deficits resulting from the heavy military expenditure were met by domestic loans and some idea of the heavy and growing military expenditure can be had from the fact that that expenditure now works out at 46% of the total expenditure, as against 28% in 1930

INDIA

Recovery in India as shown by the usual business indices has continued steadily The total value of the exports of Indian merchandise went up by Rs 8,82 lakhs (£6 615,000) as compared with 1934-35, and by Rs 13,24 lakhs (£9 930,000) as compared with 1933-34 The actual value of total exports for 1935-36 was Rs 1,60 47 lakhs (£120,350,000) It is significant that the improvement in value in the export trade during the year under review has been shared by most of the principal articles of export the largest improvement being noticeable in the exports of raw jute by Rs 2,83 lakhs (£2 212 500) Jute manufactures came next with an improvement of Rs 2,02 lakhs (£1,515,000) followed by hides and skins, raw or undressed which registered an increase of Rs 100 lakhs (£750,000) The exports in the group grain, pulse and Flour, advanced by Rs 57 lakhs (£427 500) On the other hand, the exports of cotton raw and waste declined by 98 lakhs (£735,000), and those of tea and seeds declined by 71 lakhs (£212 500) and Rs 22 lakhs (£165,000) respectively total exports of gold amounted to Rs 38 11 lakhs

(£28,732,500) in 1935-36 as against Rs. 53,26 lakhs (£39,945,000) in the previous year. The gold exports have decreased by nearly Rs. 15 crores (£11,250,000). The Indian balance of trade in merchandise (private) increased by Rs. 7,13 lakhs (£5,347,500 to Rs. 30,55 lakhs (£22,912,500) in 1935-36 as against Rs. 23,42 lakhs (£17,565,000) in the previous year. But on account of the falling off of the gold exports by nearly Rs. 15 crores, the total visible balance of trade declined by Rs. 903 lakhs (£6,772,500). The Bank rate, which had continued undisturbed at 3½% from March, 1933, was reduced to 3% in December, 1935, and continued at that figure throughout the year under review. It is noteworthy that it has been possible to reduce the rate of interest to such a low level and, further, that the reduction should have taken place in December, which is usually the commencement of the export season and commonly witnesses a rise in the rate of interest. It has to be borne in mind that, since July, 1935, the Bank rate is that of the Reserve Bank of India, the rate before July, 1935, being that of the Imperial Bank of India.

Although the Reserve Bank of India Act was passed by the Legislative Assembly in March, 1934, the Bank only began to function from the 1st April, 1935. As from that date it took over the management of the Currency Department of the Government of India by the creation of a special department known as the Issue Department. The assets of the Gold Standard Reserve were transferred to the Bank and were combined with the assets of the Currency Department. From July 1st, the Banking Department was opened and the scheduled banks deposited the required percentage of their demand and time liabilities. The Clearing House was transferred from the Imperial Bank to the Reserve Bank from the 1st July. The average circulation of Currency Notes in 1935-36 was Rs. 192 crores (£144,000,000) and was Rs. 9 crores (£6,750,000) in advance of the circulation for 1934-35, being the highest average for the last seven years. It has to be noted that the circulation of notes during each of the months of 1935/36 was higher than that for the corresponding months of the previous year. The total cheque clearances in 1935/36 amounted to Rs. 18,27 crores (£1,370,250,000) as compared with Rs. 17,42 crores (£1,306,500,000) for the preceding year. The cheque clearances advanced by Rs. 85 crores (£63,750,000), being the second highest in the last seven years and only less than those for the year 1929/30.

The position of the 3½% Government paper showed further improvement in 1935/36, except for an occasional setback due to the complicated political conditions in Europe. The index number stood at 102 in March, 1936, as against 95 in April, 1935. The

following table gives the index numbers for the year under review and the previous year, month by month —

(Base July 1914 = 100.)

	1934-35	1935-36
April	92	95
May	92	98
June	92	99
July	93	99
August	94	96
September	95	94
October	95	94
November	97	93
December	101	100
January	102	100
February	101	101
March	99	102
Arithmetical Average	96	98

The index number of Non-speculative Industrial Securities advanced from 130 in April, 1935, to 135 in March 1936 and showed a steady improvement except in the months September to November, 1935, due to the Italo Abyssinia war and the resulting complications in the political world. The following table gives the monthly changes in the index number of these securities for 1934-35 and for 1935-36 —

(Base July 1914 = 100.)

	1934-35	1935-36
April	113	130
May	114	130
June	115	131
July	116	130
August	118	131
September	121	128
October	125	128
November	125	129
December	127	131
January	129	131
February	133	134
March	133	135
Arithmetical Average	122·4	130·7

The index number of speculative securities was the same at the beginning and the end of the year under review, namely 212 and although it showed occasional improvement in the intervening months it was not able to maintain these advances. The following table shows the fluctuations in the index numbers of the

Speculative Securities, month by month, for the last two years:—
(Base July, 1914 = 100.)

	1934-35.	1935-36.
April	196	212
May	195	219
June	200	222
July	199	216
August	205	214
September	212	202
October	227	211
November	239	218
December	241	226
January	250	220
February	247	213
March	236	212.
Arithmetical Average ...	219.8	215.4

The general conclusions from these statistics are that Indian finances are in a healthy condition, that money is cheap and abundant, and that, given political quiet and less restricted markets in Europe and elsewhere, the recovery of India would continue unabated.

Commodity prices, on the whole, have remained steady for the last two years, with, perhaps, a slight upward tendency, as the following table, giving the all-India wholesale prices, will indicate. The sudden spurt in October and November was due to the Italo-Abyssinian war conditions and the speculative activities encouraged thereby:—

ALL-INDIA WHOLESALE PRICES.
(Base 1873 = 100.)

	1934-35 (2)	1935-36 (3)	% change (+ or −) of (3) over (2)
April	118	124	+3
May	120	125	+4
June	121	127	+5
July	120	128	+7
August	122	128	+5
September	122	126	+3
October	123	129	+5
November	122	131	+7
December	124	127	+2
January	126	127	+1
February	129	124	−4
March	125	123	−2
Arithmetical Average	122.6	125.7	+2.5

The monsoon for 1935-36 was favourable and the condition of crops, on the whole, satisfactory. On account of the favourable agricultural conditions, the production of most of the principal agricultural commodities showed an increase. For example, the final cotton forecast was 5,679,000 bales (400 lbs. each) as against 4,836,000 the previous year, representing an advance of 17%. The supplementary figures showed even a further improvement, being 5,728,000 bales in 1935-36 as against the corresponding estimate of 4,858,000 in 1934-35. It is significant that, according to the final forecast of linseed, the estimated crop was 413,000 tons in 1934-35 as against 372,000 tons in 1933-34, an advance of 11%. The crop yield is 15% higher than the average for the three years 1926-27—1928-29, the total estimate then being 359,000 tons only. The jute crop declined by 25% and was estimated at 6,397,000 bales of 400 lbs. each, as against 8,525,000 bales in the previous year. This gives some measure of the success achieved by the voluntary restriction scheme. The rice crop has declined by 8% according to the final forecast, which estimates the yield to be 27,711,000 tons as against 30,253,000 tons in 1934-35. The groundnut crop showed an improvement of 15% according to the final forecast, and has risen from 1,856,000 tons in 1934-35 to 2,139,000 tons in 1935-36, thus responding to the improved prices.

The progress made by India in industrial production will be apparent from the following figures giving the output in particular industries for the last two years, month by month. The industries selected are cotton manufactures (excluding twist and yarn), cotton piece-goods, jute manufactures, pig iron, steel ingots and finished steel:—

COTTON MANUFACTURES
(excluding twist and yarn)

	1934-35 (1)	1935-36 (2)	% change (+ or −) of (2) over (1)
	Pounds (Million)		
April	52.35	59.36	+13
May	49.73	62.10	+25
June	52.80	58.88	+12
July	60.25	62.11	+3
August	63.25	63.19	+1
September	62.78	61.50	−2
October	69.47	65.38	−6
November	64.92	67.83	+4
December	74.27	71.82	−3
January	65.73	63.87	−3
February	60.76	(1) 62.64	+3
March	58.48	(1) 61.76	+6

Percentage change for 12 months +3

(1) Provisional

COTTON PIECE-GOODS

	1934-35 (1)	1935-36 (2)	% change (+ or −) of (2) over (1)
	Yards (Million).		
April	244.6	283.4	+16
May	234.0	300.0	+28
June	245.5	282.0	+15
July	277.5	293.9	+6
August	288 8	298.9	+3
September	287.1	287.1	
October	313.2	300.6	−4
November	304.4	310 8	+2
December	341 5	333.9	−2
January	300 2	294.1	−2
February	283 0	(a) 290 9	+3
March	277.2	(a) 291 9	+5

Percentage change for 12 months = +5

(a) Provisional.

JUTE MANUFACTURES

(*including twist and yarn*).

	1934-35 (1)	*1935-36* (2)	% change (+ or −) of (2) over (1)
	Tons (000).		
April	71.15	84.36	+19
May	86 12	86.26	
June	74 97	78.32	+4
July	81.34	90.70	+12
August	83.21	83.24	
September	74.51	81.71	+9
October	79.51	86.05	+8
November	80.57	79.07	−2
December	79.77	84.32	+6
January	84 65	84.50	
February	77 44	79.41	+3
March	77 19	(a) 83 07	+8

Percentage change for 12 months = +5.

(a) Provisional.

Pig Iron

	[illegible]	[illegible]	% change over
	(1)	(2)	(2) over (1)
	Tons (000)		
April	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	
June	[illegible]	[illegible]	
July	[illegible]	[illegible]	[illegible]
August	114.10	[illegible]	[illegible]
September	112.91	[illegible]	[illegible]
October	[illegible]	[illegible]	[illegible]
November	[illegible]	[illegible]	11
December	[illegible]	[illegible]	12
January	[illegible]	[illegible]	[illegible]
February	[illegible]	[illegible]	[illegible]
March	[illegible] (a)	[illegible]	[illegible]

Percentage change for 12 months [illegible]

(a) Provisional

Steel Ingots

	[illegible]	[illegible]	% change over
	(1)	(2)	(2) over (1)
	Tons (000)		
April	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]
August	[illegible]	[illegible]	[illegible]
September	[illegible]	[illegible]	[illegible]
October	[illegible]	[illegible]	
November	[illegible]	[illegible]	[illegible]
December	[illegible]	[illegible]	[illegible]
January	[illegible]	[illegible]	[illegible]
February	[illegible]	[illegible]	[illegible]
March	[illegible] (a)	[illegible]	[illegible]

Percentage change for 12 months [illegible]

(a) Provisional

Finished Steel.

	1934-35 (1)	1935-36 (2)	% change (+ or −) of (2) over (1)
	Tons (000).		
April	42.45	51.04	+20
May	51.25	53.11	+4
June	51.09	51.48	+1
July	54.40	50.53	−7
August	50.05	55.54	+11
September .	52.51	57.28	+9
October	57.82	58.72	+2
November	50.27	59.51	+18
December	62.92	63.17	+1
January	49.95	62.52	+25
February	47.16	57.87	+23
March	57.48	(a) 59.91	−3

Percentage change for 12 months = +8.

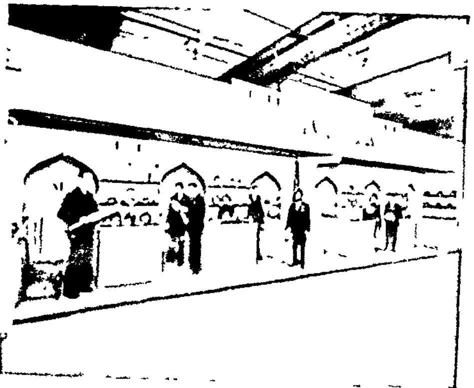
(*a*) Provisional.

Planned Economy.

It is proposed to give under this heading some idea of the economic developments in India and elsewhere with regard to some of the commodities whose cultivation or exports have recently been regulated or assisted at some stage as a result either of international agreements or of arrangements voluntarily adopted within the countries concerned.

Rubber: Although the protocol to the International Agreement which gave increased quotas to India and Burma was not signed during the period under review, India and Burma were permitted to make use of the increased quotas granted after prolonged and difficult negotiations. The rising importance of the export trade in rubber will be apparent from the following figures relating to the value and the quantity of exports of rubber from India and Burma.

	1933–34.	1934–35.	1935–36.
To United Kingdom—Quantity ...	3,338,818 lbs.	11,593,591 lbs.	10,796,169 lbs.
Value ...	Rs. 7,60,478	Rs. 33,61,523	Rs. 31,85,709
Total—Quantity	16,205,857 lbs.	23,756,734 lbs.	30,623,783 lbs.
Value	Rs. 31,19,023	Rs. 66,36,879	Rs. 88,68,749



scientific attempts made to find suitable substitutes and changes in method of transport, *e.g.*, bulk transport, constitute some of the serious dangers to the jute trade and industry in India. It is however, satisfactory to note that the industry is aware of these dangers and has been concerned, during the year under review, in examining its present position in relation to scientific research and technical development for the future and has had under examination problems relating to:—

(a) Maintenance of present markets unimpaired,

(b) the recovery of lost markets, if possible, and

(c) the establishment of new markets for jute products.

The Indian Jute Mills' Association, Calcutta, enlisted the services of Dr. S. G. Barker to go into the question of the scientific and technical development of jute and submit a special report on the Jute Manufacturing Industry in Bengal. It is understood that the report was submitted in 1935 and is, no doubt, being examined by the jute interests. The governments concerned, *viz.*, the Government of Bengal and the Government of India, are also fully aware of the importance of this trade and industry. A reference may be made here to the Voluntary Restriction Scheme initiated by the Government of Bengal. Some idea of the success of the scheme can be had from the following remark taken from the Annual Report of a well-known U.K. firm of importers and distributors of fibres specialising in flax, hemp, sisal and jute:—

> "Probably the most important feature which emerges from the past year's trading is the fact that, although not having the force of the law, Government propaganda for the restriction of sowings has been so far successful as to procure for the cultivators an average market price in London of £18 10*s*. for the year, against £15 10*s*. per ton for 1934, £15 15*s*. for 1933, and an average of £17 5*s*. for the five years 1930-34."

The level of prices for jute in 1935/36 can be found by a reference to Appendix A, which shows a welcome rise in the price of jute during the year under review. According to the final official estimate of the jute crop in India issued in August, 1935, the total yield was placed at 6,397,000 bales compared with the previous year's final figure of 8,525,000 bales. The final acreage is placed at 1,947,000 against last year's final figure of 2,670,000 acres. The formation of a Central Jute Committee has been under the consideration of the Government of India for some time, and although the Government decision took place at a date beyond the period with which this report is concerned, a brief reference to it may be permitted here. The Government of India have decided to form a Central Jute Committee on the lines of the Indian Central Cotton Committee, to watch over the

Governments of Madras and Coorg, and of the Governments of the States of Mysore, Travancore and Cochin; eleven persons representing the coffee-growing industry; three persons representing trade interests; and one person representing the Imperial Council of Agricultural Research. The Committee's funds are limited, and must therefore be applied with the utmost advantage. So far as Europe is concerned, arrangements are now more or less complete for the establishment of an Indian Coffee Market Expansion Board in London, of which the Indian Trade Commissioner will be the Chairman, and the Mysore Trade Commissioner, together with the representatives of the various trade interests concerned, will be the members. The main function of this Board will be to serve as an Agent in the United Kingdom of the Indian Coffee Cess Committee and to carry out propaganda to increase the consumption of Indian coffee, and also to make such enquiries and investigations as may be necessary, or may be asked for by the Indian Coffee Cess Committee and to administer the funds placed at its disposal by the Committee. Steps have been taken, with the approval of the High Commissioner for India, to give every assistance possible, through the Publicity Branch of the Trade Department, in regard to propaganda and participation in exhibitions. By the kind permission of the High Commissioner for India, the Indian Coffee Market Expansion Board will have its office in one of the rooms at India House.

India and the United Kingdom Market.

The following figures taken from the Trade and Navigation Accounts of the United Kingdom, published by the Board of Trade, show the monthly value in million pounds sterling of the imports from India, together with the monthly value of the total imports from all countries, including India, into the United Kingdom during the year under review:—

Imports into United Kingdom (£1,000,000)

—	Total imports	Imports from India	Indian Percentage
1935			
April	59·8	2·7	4·52
May	64·5	2·4	3·72
June	57·8	2·5	4·33
July	61·8	2·9	4·69
Aug.	59·1	3·0	5·08
Sept.	60·8	3·5	5·76
Oct.	73·4	4·7	6·40
Nov.	71·4	3·9	5·46
Dec.	74·4	4·5	6·05
1936			
Jan.	70·0	4·9	7·00
Feb.	62·3	3·5	5·62
March	68·0	3·9	5·73
Total ..	783·3	42·4	5·41

Class II.

	1933/34.	1934/35	1935/36.
	Rs.	Rs.	Rs.
Total Gunny Cloth	57	53	89
Groundnuts	67	1,70	84
Paraffin Wax	55	47	82
Groundnut Cakes	56	90	81
Teak Wood	39	62	76
Goatskins (raw)	77	40	71
Carpets and Rugs	56	74	60
Rice Bran	38	65	57
Total for these commodities	4,45	6,01	6,00

Class III.

	1933/34.	1934/35	1935/36.
	Rs.	Rs.	Rs.
Tobacco (unmanufactured) ...	47	34	45
Linseed Cake	26	23	40
Manganese Ore	25	33	39
Mica	24	35	38
Total Rice (not in the husk) ...	43	53	38
Rubber (raw)	8	34	32
Castor-seed	33	31	31
Coffee	30	21	30
Myrobalans	29	25	23
Raw Hemp	8	11	17
Shellac	1,23	1,44	17
Total for these commodities	3,96	4,44	3,50

It will be observed that in Class I there are only three commodities, tea, linseed and goatskins (tanned and dressed), whose exports have declined in value in 1935/36 as compared with 1933/34, and of these three commodities only the last two are smaller in value in 1935/36 than in the previous years. The prices of linseed and goatskins, however, have done well in 1935/36. In Class II there is no commodity with a smaller value of exports in 1935/36 than in both previous years. In Class III, only the exports of rice not in the husk, castor-seed, myrobalans and shellac have been declining in value throughout these three years. Condi-

with the rearmament and in the electrical industries. The improvement in the exports of raw cotton is to be ascribed, among other causes, to the efforts made by the Lancashire-Indian Cotton Committee towards the increased consumption of Indian cotton in the United Kingdom cotton mills. It will be observed from the parities of Indian cotton on American, given elsewhere in this report, that prices have not been consistently favourable to the increased offtake of Indian cotton by the United Kingdom market. Jute cultivation is subject to voluntary restriction in India, and the improvement in the value of exports was due to the expectation of a shortage of raw jute resulting from the restriction scheme. The increase in the exports of Indian tobacco to the United Kingdom is due to the growing interest now being taken by manufacturers in Empire tobaccos. Empire tobaccos now meet most of the demand arising from pipe mixtures, but the introduction of Empire tobacco into cigarette manufacture would open up an enormous field in which India should be able to participate with profit. The welcome improvement in the exports of paraffin wax is a sign that the exports of this commodity are attempting to regain the position they had attained in the pre-depression period. The following figures will illustrate the expansion of the exports of paraffin wax during those years:—

1927/28.	1928/29.	1929/30
15,133 tons	12,390 tons	22,489 tons
Rs. 69,01,030	Rs. 57,25,981	Rs. 1,12,40,370

Among the oil-seeds, groundnuts had another satisfactory year, especially in the matter of the improved prices. Some idea of the rise in prices can be gathered from the fact that although the imports of groundnuts into the United Kingdom declined in quantity in 1935/36, as compared with 1933/34, the value of the exports is considerably in advance of that in 1933/34. In spite of some fluctuations, the year 1935/36 has been a very satisfactory one for the oil-seeds, oils and fats markets. Some of the reasons for this improvement are:—

(1) The quick disposal of supplies of whale oil, the whole of the 1935/36 supply and carry-over having been passed on to consumers.

(2) The reduced production of lard and cotton-seed oil in the United States of America. The small cotton crops in 1934/35 reduced the output of cotton-seed oil.

(3) The revival of industrial activity resulting in an increased consumption of raw materials, including oils, in most countries.


INDIA

The hides and skins trade had a good year in 1935/36. Raw goatskins, tanned cowhides and tanned and dressed sheepskins have all done well in 1935/36 as compared with 1933/34 and 1934/35. The total export demand for Indian hides and skins would have improved still further but for the restrictions in Germany. France and the United Kingdom proved to be good buyers on the whole, but the demand from the U.S.A. was comparatively poor. Even the reptile skins market, which has been in a depressed condition for some years past, showed an improvement, and a much greater volume of business has been reported. One curious feature of the reptile skins trade is that the season of consumption commences when supplies are scarce. For example, the demand for python skins is for the spring and early summer trades, with the result that supplies have to be bought in December and January, but the bulk supplies are not procurable till March. Again, American demand for Calcutta lizards is for the summer trade, but it is only after the monsoon has broken that the collecting work starts. The demand for crocodile skins arises in the six months from September to February, but the raw supplies are plentiful only from March to July. The Nigerian supplies of reptiles have become serious competitors since 1930 of the Calcutta trade. Due to the fall in the value of groundnuts and other local products, the collection of reptile skins is becoming relatively more remunerative in Nigeria, although it has to be noted that the preparation of skins of African origin still leaves a great deal to be desired. Another feature of the 1935 trade in reptile skins was that although Italy, and to some extent France, were out of the market for reptile skins, several other countries, such as Spain and Portugal have been interested. The prospects of good trade in 1936 therefore appear to be encouraging.

Appendix A gives the range of prices of the imports of staple Indian commodities in the United Kingdom within the last three fiscal years. It will be observed that except for groundnut cake, shellac, tin and chromite, the prices in 1935/36 of all commodities have shown a most welcome advance. Even in the case of groundnut cake, it has to be noted that the lowest price is well in advance of the lowest prices in 1933/34 and 1934/35. Similarly, in the case of tin, the level of prices in 1935/36 has been higher than in 1933/34, and as compared with 1934/35 it is only the lower limit that has dropped slightly. In the case of copper, although the level of prices in 1935/36 is higher than that for 1934/35 it is well below the level attained in 1933/34 and the same remarks apply to zinc prices.

A reference may conveniently be made here to the decision taken by the Legislative Assembly in India regarding the Ottawa Agreement. On the 30th March, 1936, the Indian Legislative

accessibility of the central portions of cities and the provincial towns as a result of the improved transport, the changes in the character of the population, combined with a gradual rise in the standard of living, have all helped the chain stores to expand rapidly. As already stated, the stores are able to obtain special prices from manufacturers, are in a position to cheapen many lines by slight changes in sizes and specification, and are able to clear surpluses by special sales, bargain basements or transfer to other branches in far-off districts. By such means they are always able to offer something new and tempting. The growth of the departmental and chain stores cannot but be of interest to India as a primary producer and supplier of raw material and foodstuffs.

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* Chapter II.—Agricultural Products—Foodstuffs.

Some of the Indian foodstuffs, like chutneys, pickles, jams, poppadums, and Bombay duck have already made a place for themselves in the United Kingdom market. Most of the well-known stores now make a feature of Empire foodstuffs in their annual shows. Harrods, Whiteleys, Selfridges, to mention only three of the well-known stores, displayed Empire foodstuffs at their special shows which attracted considerable attention. The Department gives all possible assistance and advice to stores and private firms wanting to advertise Indian foodstuffs along with other Empire foodstuffs. Although numerous enquiries are still received about these well-known Indian food products, no reference has been made to them in this chapter. Only enquiries expressing an interest in new products or from new quarters are referred to here.

Cashew Nuts.

A Glasgow firm and two firms in London were given the names of exporters in India of cashew nuts. A London enquirer wishing to purchase a quantity of cashew nuts for sale on the Australian market was given the names of several exporters in India. The interest in cashew nuts in this country has not, however, yet reached the level attained in the United States of America. The increase in the imports of cashew nuts into that country can be best illustrated by stating that in 1931 they amounted to 10,262,916 lbs., whereas during the year 1935, according to an

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* Chapter written by Mr. Y. N. Sukthankar, I.C.S., *Deputy Trade Commissioner.*

a request was received from the Director of Navy Contracts, London, for the names and addresses of a few firms in this country who might be asked to submit samples of tobacco for consideration by the Admiralty, and these were supplied. At the request of a firm of tobacco manufacturers in London, arrangements were made to supply representative samples of tobacco leaf grown in Bihar. Samples of leaf grown in Baroda were received from the Director-General of Commercial Intelligence and forwarded to the same firm.

Puffed Rice.

An enquiry was received from the Director-General of Commercial Intelligence for the names of reliable quaker oats dealers in the United States of America and Canada likely to push the sales of Indian puffed rice. Samples were invited in order to test the market.

Mangosteens.

Arrangements were made as in previous years for the examination of an experimental consignment of mangosteens forwarded by the Director of Agriculture, Burma. An examination of the fruit was carried out at the Low Temperature Station, Cambridge, and a report furnished. The report remarked that the condition of the fruit on arrival in this country was considered to be good, but within a few days the samples deteriorated in the warehouse. The consignment was free from wastage on arrival, this being an improvement on the results in 1934. Suggestions were made in regard to the treatment of the fruit before shipment.

Oranges.

Reports were sent to the Assistant-Director of Agriculture, North West Frontier Province on several consignments of bitter oranges regarding the condition and colour of the oranges on arrival and other relevant points. The last consignment of oranges was favourably reported upon by the importers as to condition and colour. The same officer was supplied with reports on different varieties of walnuts received from him.

During the year steps were taken to interest new importers in Indian commodities, and accordingly letters were addressed to 150 firms who were known to be dealing in commodities that could be supplied by India. Replies were received from nearly half the number of firms, and as a result of the correspondence 51 new firms expressed an interest. These firms were given all the information required. Their names have now been included on our cards of reference, and it is hoped that permanent contact has been made with them. The commodities cover a wide field, including the foodstuffs with which this chapter is concerned and industrial materials, which form the subject matter of the next.

porters of cotton waste, burlap cuttings, etc., who was unable to obtain the whole of his requirements through one exporter. The names of suitable firms in India were communicated to the enquirer. Names of exporters were also furnished in response to a similar enquiry from the London Chamber of Commerce.

FERTILIZERS.

The names of exporters of dried fish fertilizers were given to an enquirer who wished to obtain samples, prices, etc., with a view to placing a contract for the year 1936.

FIBRES.

An enquiry was received from a firm in the U.S.A. who wished to be put in touch with suppliers of certain kinds of fibres and bamboo for use in the manufacture of brooms. The enquiry was referred to the Director-General of Commercial Intelligence with samples of the commodities required.

HAIR.

A request was received from the Director-General of Commercial Intelligence for the names of firms in the United Kingdom interested in camel hair. This enquiry was circulated and the names of five firms who expressed an interest were supplied.

HIDES AND SKINS.

An enquiry was circulated on behalf of a firm in Madras who wished to get into touch with firms in this country interested in the import of dry goatskins. The names of two firms were furnished in response to this enquiry. The names of Indian shippers were given to a firm of importers in London. An enquiry was received from a firm in New York who had previously transacted business through London houses but now wished to establish direct communication. The names of suitable exporters in India were furnished.

LEATHER.

The names of chrome leather manufacturers in India and the names of importers in the United Kingdom of leather were given in response to an enquiry from a Leicester firm. An enquirer from the U.S.A. was furnished with the names of exporters in India of upper leather, tanned cow, buffalo and calf hides, and goat and sheepskins.



Propaganda

The principal Burma shippers of teak again staged a very effective display of teak at the British Industries Fair at Olympia. Teak was also very prominent in garden furniture in other parts of the Fair; but apart from teak and a little laurel furniture, no Indian timbers were in evidence. The furniture exhibits were, with few exceptions, of the [illegible] type.

In addition to the display of teak at Olympia, the Burma Teak shippers have issued a very attractive brochure, with photographs illustrating the history and uses of teak.

The Timber Development Association [illegible] its good work on the propaganda [illegible]. Among their activities they are responsible for the quarterly publication "Wood," which draws attention to the [illegible] of [illegible], present, and prospective. This periodical is [illegible] illustrated and contains attractive articles [illegible]. It has [illegible] in Laurwood, [illegible] laurel.

The Timber Development Association also arranged a Timber exhibit at Charing Cross [illegible], illustrating by photographs and [illegible] the problems connected with their use.

The Second International Congress on Timber Utilisation and Research, organised by the Comité International du Bois in conjunction with the Timber Development Association, was held in London at the end of the year. The Congress, which dealt with all aspects of timber utilisation, should do much to stimulate interest in wood and its by-products.

"The Architectural Review" issued a special timber number, and "The Timber Trades & Engineering" issue for November contained a special "Timber Trade Section."

The most notable examples of the use of wood during the year were in the P. & O. liner "Strathmore" and the Cunard liner "Queen Mary." Teak was naturally the timber used in the decks and fittings. About 1,000 tons of teak were used in the "Queen Mary." In [illegible] the saloons and the principal state rooms were panelled in wood. The decorative woods used included Indian laurel and Indian silver-grey wood. The former timber was used in a border to an oak floor in the "Queen Mary," in addition to its use for panelling.

* Chapter V.— Lac and Shellac.

[illegible]

[illegible] kept within a narrow margin [illegible] The [illegible] in itself good, but a rise [illegible] level [illegible] However, [illegible] in the near future.

[illegible]	[illegible]	[illegible]		
		Imports	[illegible]	Stocks
[illegible]				
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]				
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

[illegible]

[illegible]

technical Press in the United Kingdom, Germany, France, Italy and Russia. As regards committees and societies, the additions and changes since last year have been:—

(i) British Electrical and Allied Industries Research Association Committee A 316 on Insulating Varnishes (Member).

(ii) British Standards Institution Committee C/29 on Moulding Powders (Member).

(iii) British Standards Institution Committee EL 16 on Insulating Materials for Electrical Purposes (Member).

(iv) Oil and Colour Chemists' Association (Honorary Secretary).

The "Minor Forest Products Index" of the British Empire was completed during the year.

A comprehensive exhibit of lac products, with a selection of literature, was prepared for a scientific exhibition organised by the Dublin Royal Society in March, 1936. The lac exhibit in the British Pavilion at the Brussels Universal and International Exhibition was on view from May to November, 1935, and was visited by a very large number of people. In the spring of 1936 a window display of lac products was arranged at India House and aroused a good deal of interest and resulted in several useful enquiries.

The Special Officer, Lac Enquiry, visited the Continent twice in the course of the year, the first time in June-July to attend the plenary session of the International Electrotechnical Commission in Holland and in Belgium as Chairman of Advisory Committee No. 15 on "Shellac." The last plenary session was in 1930 in Stockholm. The preliminary specification for lac in the electrical industries is now in complete draft form, and will, it is hoped, be accepted internationally in the course of 1936. The co-operation of Italy, Germany, the United States of America, in addition to the United Kingdom, has been secured in regard to the further electrical testing required and the standardisation of the electrical tests for lac. In December, 1935, a tour was undertaken to Hamburg, Berlin, Cologne, Frankfurt a/M and Mainz, with a view to personal discussions with German shellac interests in regard to the following matters:—

(i) The United States of America bleaching test for seed-lacs and sticklacs, together with the German colour index test for these materials.

[illegible]

[illegible]

1. [illegible]
2. [illegible]
3. [illegible] New York [illegible]
4. [illegible]
5. [illegible]

[illegible]

[illegible]

States of America) will go a long way to establish confidence in lac among the larger consumers.

But much remains to be done; the consumer must be educated to buy against specification; the producer must set his face sternly against new and old methods of sophistication of lac; old: adulteration with gum rosin and orpiment; new: adulteration with wood rosin and oxidised rosin for which the existing tests are inadequate, and the "brightening up" of seedlac with mineral acid, with a corresponding increase in alcohol insolubles or useless lac.

THE SYNTHETIC RESIN INDUSTRY.

Lac products, like other natural resins, have definitely to be looked upon as chemical products, capable of being processed and utilised much in the same way as the synthetic resins. Developments in the rosin (colophony) field and progress of research work in regard to the copals, dammars and lac, amply prove the contention. But the acceptance of this view carries with it the obligations faithfully observed by manufacturers of synthetic resins, namely: (1) There shall be little or no deviation in quality, and with quality, performance, and (2) There shall be little variation as possible in selling price. Adulteration is unknown in the synthetic resin field and this fact carries its own implication where lac products are concerned.

As regards synthetic resin production, the abstract from the "British Plastics & Moulded Products Trader," Vol. 7, No. 82, March, 1936, page 451, quoted below, is worth reproducing:—

"The figures for the American plastics industry, as given in the February issue of 'Chemical and Metallurgical Engineering,' are most illuminating, and, curiously enough, follow the same general trend as in this country, as, for example, cellulose acetate plastics, which have increased in the U.S.A. from 200,000 lb. in 1931 to 11,000,000 lb. in 1935. They also showed a 100 per cent. increase over 1934. The nitro-cellulose plastics, on the other hand, show a decrease in production due, no doubt, to the lowering in price of the acetate plastics, from 1931, but an increase from 12,360,000 lb. in 1934 to 16,205,000 lb. in 1935.

"The most phenomenal increase is shown in the phenolic resins, however, a new record having been attained in 1935, when 56,000,000 lb. of products were made. Of this total, moulding material accounted for 35,000,000 lb., laminated 10,000,000 lb., cast resins 4,750,000 lb., varnish resins 2,000,000 lb., and miscellaneous other resin and varnish materials 4,000,000 lb. The modified phenolic resins were

[illegible] the extent of [illegible] and the [illegible] [illegible] [illegible]. The production of [illegible] [illegible] [illegible] [illegible] [illegible] plant capacity, which [illegible] [illegible]

[illegible] in this country, have no [illegible] detailed figures [illegible] [illegible] that [illegible] the [illegible] in this country, the [illegible] of the [illegible] are very favorable with [illegible] [illegible] [illegible] but also and the [illegible] [illegible] that have taken place in the [illegible] [illegible]."

In the quotation from the "Naval Stores Review," [illegible] page [illegible] May [illegible], in regard to [illegible] [illegible]

The production of [illegible] in the United States [illegible] [illegible] [illegible] [illegible] pounds a year, according to [illegible] [illegible] of the [illegible] [illegible] [illegible] [illegible] [illegible] the statement [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] New York [illegible] of the American [illegible] April [illegible] at the Hotel New [illegible] New York. [illegible] with the [illegible] [illegible] [illegible] [illegible] with the statement that [illegible] [illegible] [illegible] [illegible]

[illegible]

	Pounds
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]

[illegible]

synthetic resin field, [illegible] to well over 16,000 metric tons a year, of which the [illegible] for 9,000 tons, a portion of which is exported.

In Russia [illegible] synthetic resin field is apparently being [illegible] in the manufacture of [illegible] production from 11,[illegible] in 19[illegible] according to plans. [illegible] according to requirements, [illegible]

The [illegible] of the world, at [illegible] tons, is [illegible] time, research in the [illegible] should in time demonstrate [illegible], either singly or in combination, [illegible] the industries of the world.

The [illegible] select on the [illegible] position in the order [illegible] few, may put quality and [illegible]

LAC RESEARCH IN THE UNITED KINGDOM.

The London Shellac Research Bureau.

[illegible] Advisory Committee [illegible] United Kingdom, but on [illegible] Messrs. The Metropolitan-Vickers [illegible] Co., Ltd., Mr. A. P. M. Fleming, a Director of the [illegible] charge of the research department, was [illegible] and accepted the invitation. The C[illegible] the year.

The Technical Sub-Committee met three times in the year. Most of the work consisted of [illegible] of papers prior to publication, and consequently a good deal of the business was done by circulation of papers. Dr. L. A. Jordan's two years' tenure of the chairmanship came to an end in July, 1935, and his place was taken by Mr. W. Bayley Parker. Mr. A. Nutten, on departure to India in December, 1935, was replaced by Mr. A. C. Cook, also of Messrs. Angelo Bros. (England), Ltd.

[illegible] Programme of Research

[illegible] programme was settled at the deliberations of the research [illegible] in India, the United Kingdom and the United States of America during the year, and the Indian Lac Cess [illegible] approved of the following distribution in November [illegible]

1. That work on the following fields of research should be carried out [illegible] by all three centres [illegible]:

   The fundamental constitution of shellac.

   The working out of methods for shellac analysis and the handling of shellac specifications.

2. That the Indian Lac Research Institute should do the following in particular:—

   Work on the chemical and physical constants of the raw material available in India.

   General work upon the [illegible] on shellac processing; and

   Tests of [illegible] and [illegible] assistance to the lac [illegible] in India and the development of new uses for lac in India.

3. That the main work of the research centres in London and America should be the practical application of [illegible] research in [illegible] the development of new uses.

[illegible] Research Work Done

[illegible] the year according [illegible] The [illegible] Laboratories [illegible] and [illegible] at the [illegible] Research [illegible]

[illegible]

Dr. Karim has continued his fundamental work on the isolation of the chief groups of constituents of lac, working on authentic lacs of known history and origin. The work is laborious and involved much detailed analysis, consequently, in December, 1935, Dr. Karim was given an assistant (Miss D. Cook) in order to cope with this difficulty.

In addition, considerable progress was made in the very difficult technique of preparing suitable films of lac for electrical testing, a matter which is also receiving close attention in America.

Drs. Verman and Bhattacharya, either singly or in collaboration, continued the study of the behaviour and properties of commercial pure (hard) lac resin and its industrial application. Promising fields of application to be investigated are as electrical insulation varnish, enamelling copper wire, impregnating cotton-covered wire, mouldings for electrical and general purposes, lac bonded insulating board, and so forth.

Dr. Bhattacharya continued his work on the chemical constitution of lac, and as the result of a visit to Berlin in December, 1935, this field of research has been satisfactorily apportioned to Dr. Werner Nagel (in Germany), Professor Wm. Howlett Gardner (in U.S.A.), and Dr. Bhattacharya (in the United Kingdom).

Enquiries from the trade in regard to the uses of lac and lac processing increased from 45 to 59 in the year. These enquiries are important and with the proposed increased staff will be dealt with more speedily and satisfactorily.

Abstracts of literature and patents bearing on shellac were prepared and published as usual, bringing this work up-to-date as far as December 31st, 1935 Steps have been taken to secure the co-operation of Ranchi and New York in this work, in order to make it as complete as possible, for the lac consuming industries highly appreciate this labour-saving technical service.

Co-ordinated Work of the London Shellac Research Bureau with the Indian Lac Research Institute and the New York Shellac Research Bureau.

Close co-operation and co-ordination was maintained by correspondence and exchange of information and reports. The difficulties of the situation were fully dealt with in the 1934-35 report and need not be repeated. It will suffice to say that periodical visits and meetings of the executives or of the superior staff of the three research centres seem eminently desirable in order to get the maximum results from the international organisation set up.

Chapter VI—Indian Minerals—General.

[illegible] events of the past year, the [illegible] of [illegible] the United States [illegible] purchase [illegible] have in general resulted in a fall in the [illegible] of the generally favourable state [illegible] have decreased and [illegible] increased [illegible] the [illegible] trade can be partly traced to [illegible] the [illegible] and the increased [illegible] of the [illegible]. These had led directly to [illegible] manganese ore [illegible]. The export of manganese ore from India [illegible] tons [illegible] tons. [illegible] is the chief purchaser with [illegible] while France took [illegible] and the [illegible] of America [illegible]. Prices, however, showed little [illegible] the year, and it would appear that, with [illegible] sources of supply, prices are [illegible].

[illegible] of the new [illegible] at Vizagapatam, with a [illegible] and a decrease in freight charges [illegible] the extent of these [illegible]

[illegible]

[illegible]

[illegible]

[illegible]

The exports of pig iron from India increased and amounted to 538,000 tons in the year under review. Japan took 74% of the total and is by far the best customer. The exports to the United Kingdom were 65,763 tons (12%) and show a drop of 23,000 tons on the figure of the previous year.

The improvement in the electrical trades throughout the world was most marked, and as a result the exports of mica from India reached the record high total of 166,649 cwts. The exports of "splittings," the raw material for the manufacture of "micanite," increased by 60,000 cwts. The United States of America is the largest purchaser and took 53%, of the total, the United Kingdom 24%, and Germany 9%. In the case of the United Kingdom there is a good deal of re-export.

The working of the tin restriction scheme, to which India is not an adherent, has been watched with great interest and has aroused much comment. In the middle of 1935 there was an acute scarcity of cash tin and the backwardation reached the high figure of £20. This position has to some extent been eased by a gradual increase in quota, which now stands at 85% of the standard tonnages allowed to each member-country by the International Agreement. Even now stocks are almost dangerously low, and those in the United Kingdom are negligible. This position has largely arisen from the difficulties experienced by the Bolivian producers. That country has not been able to work up to the exports permitted to her under the control scheme.

The scheme is due for renewal at the end of this year and the outcome is awaited with interest. The Belgian Congo, having a large potential output, is pressing for a greatly increased standard export. Siam, backed by Japanese financial interests, is insisting on an increase in her standard export from 9,800 to 20,000 tons. The recent political changes and the devaluation of the currency in Bolivia will not make the position any easier.

There is very little doubt that, in general, compulsory restriction schemes bring about conditions necessitating continued restriction, and in the case of tin, the cessation of restriction at present would lead to unrestricted competition, over-production and a serious fall in prices. Consumption is not yet equal to the potential output.

The attempt of the United States Government to raise the price of Silver to a high level by means of the Silver Purchase Act seems to have failed in all its aspects. It would also appear to have narrowed the use of silver as a monetary medium as distinct from a commodity and to have driven China to a managed paper currency.

[illegible]

The [illegible] of [illegible] addressed to the Minerals Adviser [illegible] a small increase, and, as usual, covered a wide [illegible] commodities, the [illegible] others [illegible] manganese [illegible] relating to these two minerals were [illegible] in the past two years. Reported discoveries of new [illegible] interest.

The [illegible] work [illegible] summarised. Sixty-nine interviews were arranged, [illegible] enquiries were received and [illegible] by post. Statistics [illegible] minerals and products were distributed [illegible] the following were supplied: Coals, wolfram, [illegible], bauxite and barytes. Information [illegible] occurrence and possibilities in India was [illegible], barytes, coal, mica, kyanite, [illegible] and [illegible].

[illegible] were sent from India for commercial valuation, [illegible] talc, barytes, [illegible] and [illegible].

[illegible] from the point of view of the [illegible] of [illegible] the following minerals, among others, were the [illegible] from firms in United Kingdom and abroad [illegible] Indian suppliers: Wolfram, [illegible], mica, manganese [illegible], [illegible], [illegible], [illegible] and [illegible].

[illegible] markets in this country and abroad [illegible] the following: [illegible], talc, barytes, [illegible] [illegible].

[illegible] the [illegible] of [illegible] of bauxite [illegible] the bauxite used [illegible] these tests [illegible]. Further tests are, however, being made [illegible] of bauxite [illegible] the [illegible] of the [illegible] to be the controlling factor.

[illegible]

[illegible]

[illegible] 11

Enquiries from India for names of importing merchants abroad	44
Samples received for commercial valuation	10
Requests for analyses of Indian minerals	12
Enquiries for statistics	18
Miscellaneous enquiries (mining and prospecting leases, tariffs, general mining questions, etc.)	21

PUBLICITY.

A general article on Indian Gem-stones was contributed to the "Asiatic Review." Information of a technical character was widely distributed to the Press.

COMMITTEES.

The Minerals Adviser attended two meetings of the Advisory Council on Minerals at the Imperial Institute, and three meetings of Technical sub-committees. In future the Advisory Council will meet three times yearly and each of the Technical sub-committees at least once. The number of the latter has been reduced from fourteen to seven, and the Minerals Adviser is Chairman of the Miscellaneous Minerals Committee. Details of the others will be found in Appendix C.

IMPERIAL INSTITUTE.

An arrangement has been made with the Imperial Institute whereby enquiries relating purely to Indian minerals received at the Institute are transferred to the Minerals Adviser for disposal. The latter has again pleasure in expressing his thanks to the Mineral Resources Department of the Institute for help most freely given.

PRICES, 1935/36.

	Highest.			*Lowest.*		
	£	*s.*	*d.*	£	*s.*	*d.*
Tin*	245	0	0	202	16	3
Lead*	19	10	0	11	6	3
Copper*	36	13	1½	28	15	0
Zinc*	17	6	3	12	0	0
Mn. Ore (48°-50°) per unit	0	1	0	0	0	11
Wolfram (65%) per unit	1	17	3	1	10	3
Chromite (48%) per ton	4	1	3	3	15	0

* London Metal Exchange Prices.


INDUSTRIES
ORISSA

(Foodstuffs); and (4) General Merchandise Section. The total area of our stands in these sections was 2,986 square feet, being 186 square feet more than the space occupied in the previous year. Exhibits were received from fifty-three firms, as against fifty last year. Separate stalls were allotted to the Publicity Bureau of the Indian Railways, the Bihar and Orissa Cottage Industries Depôt and the Victoria Technical Institute, Madras Also some Burma teak shippers joined up in a group and were allotted a stand for Burma teak and such manufactures thereof as garden chairs and benches, doors, panels, etc. Of the fifty-three exhibitors, twelve exhibited for the first time. The exhibits consisted of:—

(1) Carpets and rugs.
(2) Coir mats and matting.
(3) Sports goods.
(4) Foodstuffs and cigars and cigarettes.
(5) Handmade cotton and silk fabrics.
(6) Arts and crafts and lace.
(7) Furs.
(8) Leather goods.
(9) Hides, skins and leather.
(10) Jute webbing.
(11) Teak.
(12) Essential oils.
(13) Vegetable soap.
(14) Rosin and turpentine.
(15) French chalk.

In all, 441 trade enquiries were received, as against 347 last year—an increase of 26%—as under:—

Sports goods	110
Leathers and skins	44
Leather goods	18
Furs	68
Carpets and rugs	75
Coir mats and matting	73
Miscellaneous	7
French chalk	4
Magnesite	2
Brassware	2
Woodwork	5
Essential oils	4
Canned fruit and condiments	6
Spices	4
Jute webbing	9
Cashew nuts	8
Rice	2

Altogether, 143 orders were received, of which thirty-four were from new customers—twenty new connections were thus established for brassware (including one from Canada, one from Lithuania and one from Switzerland), seven for lace (including one from France and one from Lithuania) and seven for woodwork.

The advantage of displaying the exhibits in the appropriate sections was again clearly shown by the fact that substantial orders were booked for coir mats and mattings which were shown on a separate stall in the appropriate section. Last year only a few samples were shown along with carpets, and as a result they did not attract sufficient attention. There was also a 300% increase in the amount of orders for sports goods. More business was likewise done for Madras lace work, whilst the carpets stall also showed a substantial increase of business. In the fur section, too, orders were booked to the value of Rs. 2,000 where none were booked last year. Brassware and woodwork alone showed a decline, which was due probably to two causes—a general decline in the trade in Oriental fancy goods and to the fact that, with the establishment of contacts at previous exhibitions, the buyers thus introduced are now getting their normal requirements direct from the firms. The new connections for brassware, however, made at this Fair, numbered twenty, as stated above.

Sale of Samples.

In the Empire Section, samples of condiments, tinned fruit, rice, tea, cashew nuts and cigars were sold as usual, and a sum of £165 was realised, as against £112 last year. Indian cigars and cheroots were given a better display this year, and as a result samples of cigars to the value of £82 were sold in addition to sample orders of £50.

The sales are as detailed below:—

Commodity.	No. of Samples.	Value. £	s.	d.
Chutneys, sauces and pickles ...	869	23	0	0
Curry powder and spices ...	586	13	0	0
Rice	300	5	0	0
Tea	1,104	16	0	0
Coffee	13	0	10	0
Poppadums	26	0	10	0
Bombay duck	6	0	10	0
Cashew nuts	2,064	15	0	0
Tinned fruit	11	1	10	0
Cigars	4,617	82	0	0
Cigarettes	1,530	4	0	0
Soaps	238	4	0	0
	11,364	£165	0	0

afforded a good opportunity to advertise certain Indian products in this district. The exhibits, which were supplied by eighteen firms, represented foodstuffs, arts and crafts, sports goods, soaps, cigars and rugs. Samples of the exhibits on view were sold to the value of £44 and about fifty retail enquiries were received which were referred to the wholesale stockists of the Indian goods exhibited. The cost amounted to £95.

General Remarks.

The total number of exhibitions undertaken during the year under report was fourteen, as against sixteen last year. The decrease of two was mainly due to the fact that some exhibitions took place simultaneously, particularly during the winter months, and we had to turn down certain shows because, with the limited staff at our disposal, we cannot participate in more than one exhibition at a time. The fourteen exhibitions were as follows:—

(1) Liverpool National Food and Beverage Exhibition: 30th April to 11th May, 1935.
(2) Bournemouth Shop Display: 25th May to 8th June, 1935.
(3) Aldershot Empire Show: 3rd to 6th July, 1935.
(4) Hull Shop Display: 20th July to 3rd August, 1935.
(5) Canadian National Exhibition, Toronto: 23rd August to 7th September, 1935.
(6) International Grocers' Exhibition, London: 21st to 27th September, 1935.
(7) Norwich Grocers' Exhibition: 2nd to 12th October, 1935.
(8) Imperial Fruit Show and Canners' Exhibition, Cardiff: 25th October to 2nd November, 1935.
(9) Ideal Homes and Food Exhibition, Edinburgh: 31st October to 14th November, 1935.
(10) Romford Shop Display: 26th November to 24th December, 1935.
(11) Grocers, Bakers, Confectioners and Allied Trades Exhibition, Sheffield: 21st to 30th January, 1936.
(12) British Industries Fair, London: 17th to 28th February, 1936.
(13) South London Exhibition, Crystal Palace: 6th to 16th March, 1936.
(14) Scottish Grocers, Bakers, Confectioners and Allied Trades Exhibition, Glasgow: 18th to 28th March, 1936.

The cost of these exhibitions amounted to £3,418. Of this amount, 50% was spent on the rent of space and erection of the stands, the balance being absorbed by other expenses, such as staffing, supervision, freight, advertising, etc. Over a third of the total expenditure was incurred in participation at the British Industries Fair, which was the most extensive of all the exhibitions

mangoes, but prices will have to be lowered if an increased turnover is looked for. Other sales were: 3,661 samples of curry powder, value £87; 1,242 samples of rice, value £15; 142 samples of poppadums, value £5; 64 samples of Bombay duck, value £4; 1,860 cigarettes, value £5; 443 samples of spices, value £8; 275 samples of coffee, value £10; 161 samples of beans and lentils, value £2.

In addition to the samples of foodstuffs, exhibits of artware, carpets, lace and leather goods, etc., were also sold to the trade, realising about £660, of which £365 was realised at the British Industries Fair, £160 at the Toronto Exhibition, and the balance at other exhibitions in the United Kingdom. The total sales effected during the year of food products and other exhibits amounted to £1,435, as against £1,380 last year.

ORDERS.

The Toronto Exhibition and the British Industries Fair were again the only two exhibitions at which there were regular facilities for booking orders from the trade. The total value of the orders booked during the year came to £3,450 (£70 at Toronto and the rest at the B.I.F.), compared with a total of £2,900 for the previous year. From the figures given below for the last five years, it will be noted that more and more business is being actually booked at the exhibitions by this department:—

	Value of Orders.	Approximate percentage of increase over each preceding year.
1932	£365	...
1933	£717	... 100%
1934	£1,200	... 66%
1935 ..	£2,900	... 142%
1936	£3,450	... 19%

The causes, apart from departmental efforts, which contributed to the increase in the number and value of orders as stated above, are:—

(1) Better exhibits received from the exhibitors with a larger variety and range in designs, etc.

(2) Participation in the appropriate sections of the British Industries Fair on a larger scale, and

(3) Better discounts and terms offered by the manufacturers.

Enquiries.

The total number of trade enquiries received and dealt with at exhibitions during the year under review was 831, nearly the same as last year (820). Of these, the B.I.F. yielded about half the number (441), Toronto 78, International Grocers 57, Bournemouth 56, Imperial Fruit Show 45, Hull 45, Edinburgh 25, Glasgow 15. Of these enquiries, about 10% were from Canada, about 13% from the Continent and 77% from the United Kingdom. The fall in the percentage of enquiries from the Continent was mainly due to the fact that we did not participate in the Milan Fair this year, this Fair having gone over to the jurisdiction of the Trade Commissioner at Milan. Foodstuffs enquiries accounted for 37% of the total. Amongst the enquiries for other articles the largest number was for sports goods, leathers and skins, leather goods, carpets, coir mats, furs and skins.

Observations on some of the Exhibits.

Rice: Though Patna rice has always been shown at our exhibitions along with the Burma rice, the latter still commands greater popularity on account of its bold grain and cheapness. In this country, rice of the bold grain type seems to be the most popular, and this is evidenced by the fact that the Australian rice, mentioned in the last year's report, seems to be steadily gaining ground It is quoted at approximately 17*s.* per cwt., as compared with Patna at 22*s.* to 23*s.* per cwt. The import of Patna rice showed a small decrease during the year, whereas Australia rice imports have increased.

India must concentrate on the better types of rice if it is going to meet the competition from Australian rice and also displace the American and the Spanish high-grade varieties.

Coffee: Exhibits of Indian coffee were received on a few occasions only, and the general comment of the trade was that Indian coffee by itself did not yield a good liquor. There seems to be a great deal of prejudice, rightly or wrongly, against "straight" Indian coffee, which has to be conquered before Indian coffee can be made popular. This involves considerable advertising and extensive demonstrations, which, it is hoped, will now be possible as a result of the activities of the proposed Indian Coffee Marketing Expansion Board.

Chutneys and Condiments: The demand for chutneys is increasing steadily, and there is a growing tendency in the trade to go in for direct import in bulk and then bottle the chutney here under their own names. Prices have remained fairly steady. The sweet sliced mango variety still remains the most popular.

though, generally speaking, Indian brassware of all kinds is not in fashion at present, particularly in the larger towns. There is still a market for them in the provincial towns. In colours, the bright red and bright green do not seem to be attracting as many orders as the quiet and refined shades of blue, green, and rose, or purple and gold combined. It would also be useful if something could be done to prevent the brass going dull in the damp climate of this country. In this connection the possibility of treating it with a final touch of lacquer polish may be suggested. In woodwork, the inlaid work has been found to be a better seller than the plain carved work of Saharanpur. Also, the demand is more for tables, teapoys and cakestands than for screens and smaller articles, such as boxes, book-ends, photo frames, etc. Articles with a medium varnish are preferred. The totally unvarnished type and the too highly polished type are both equally unpopular. *Papier-mâché* work has a small seasonal trade, but the lacquered wood ware has completely dropped out. There should be a good market for cheap and attractive articles of jewellery.

Carpets and Rugs: There has been a steady demand for the medium qualities, and the sale for Indians has been better than Turkeys, Persians, Spartas, Smyrnas, etc. Prices have recently gone up by about 8% for the Indians and correspondingly there has been a 10% increase in prices of English carpets. The best sellers in the Indian line are the varieties that sell wholesale at about 7*s.* 6*d.* per yard—mostly Cawnpores and Malabars. The more expensive Mirzapores and Agras and the Amritsars have a limited demand. The Malabar strips (12ft. by 3ft.) are steadily gaining popularity, while the Ellore strips and Deccans, which were in demand last year, have gone out in spite of reduced prices. With regard to designs and colours, the tendency has lately been noticed to copy the ultra-modern designs. Such designs do not find favour on this market, the orthodox Indian designs and colours being still popular.

Coir Mats and Matting: A wide range of samples was received this year. Unlike the carpets, modern designs are found to be popular in this class of merchandise. This is particularly noticeable in the stencilled and clipped varieties. The coco-matting rugs of the reversible type are much preferred by the trade to the old type of fancy matting.

Leather goods: Exhibits of handbags, dressing cases, suit cases, belts, wallets, etc., of crocodile and pigskin, have been shown at our exhibitions for the last two or three years. So far, it has been found possible to secure connections with a high-class departmental store in London and another in Toronto. The workmanship of these goods has been well commented upon by the trade, but while

to represent the Government of India on the International Tea Committee. The work of these Committees involves the framing of proposals for the consideration of the Governments concerned, who, in their turn, are anxious to remain in close touch with the working of the schemes. The Government of India therefore desired that they should be represented on the International Tea Committee. Care is taken to see that due regard is paid to Indian interests in the consideration of world problems by these International Committees. The increase of the rubber export quota allotted to India and Burma, details of which will be found in last year's report, might be quoted as a case in point. It was only after prolonged and difficult negotiations that the other member-countries to the International Rubber Regulation Agreement could be persuaded to agree to the grant of increased quotas to India and Burma. Some of the Empire Committees devote their labours to the technical aspects of the particular commodities in which they are interested, and give their consideration to the results of the latest research with a view to improving the qualities of the commodities concerned. Membership of such Committees serves the useful purpose of enabling the Indian Trade Commissioner to keep the authorities in India advised of recent technical changes which may enable India to improve the standards of her commodities and to grade them properly in order to meet the requirements of consumers who at present purchase similar goods from other sources. It also puts India in possession of the latest developments and enables her to export goods which, but for these new methods, could not be exported at all; in particular as regards the export of goods of a perishable nature which otherwise could only be consumed locally. Other Committees confine their activities to the trade aspects of the Empire problems only, and are anxious to see that the Empire commodities receive their full share in the import trade into the United Kingdom. The work on some others, such as the Tobacco Sub-Committee of the Imperial Economic Committee, involves an examination of evidence both oral and documentary. The work of this Committee has lasted throughout the year, and its report, when it is ready for despatch to the various Empire Governments, after having received the approval of the main Committee, will be awaited with very great interest. The various sub-committees of the Imperial Institute, the Food Investigation Board, and the Committees attended by the Timber and Minerals Advisers and the Special Officer Lac Enquiry, deal with technical aspects of trade. Thus the Committee of the Imperial Institute on Timbers was concerned during the year with the report on grading rules and standard sizes for Empire hardwoods. The matters dealt with have a close bearing on timbers from India as well as from other Empire countries. At the instance of the Committee, the London County Council examined a further series of Empire hardwoods in regard to their resistance to fire with a view to their being

general clerical work which follows upon the interest stimulated by the publicity measures. The clerical staff on the trade side now includes one permanent Executive Officer and four permanent clerical officers. As a result of the increase in the number of permanent clerical officers from three to four, the number of temporary clerical officers has been reduced from two to one. The Trade Department staff being a part of the general cadre of India House, several changes took place during the year, and the staff now has more permanent officers than before. Appendix D gives the constitution of the staff, and Appendix E explains the duties allotted to the various members thereof. Some idea of the volume of work on the trade side can be had from the fact that during the year 1935/36 8,442 letters were received and 12,628 letters were issued It has to be noted that these numbers do not include the correspondence received and issued by the Timber Adviser and the Minerals Adviser, who deal with their correspondence direct. The number of telephone calls, interviews and visitors calling for information on a number of matters too varied to be given in detail, has increased considerably.

The following additions were made to the Exhibition Hall during the year under review:—

Donor.	*Gift.*
Government of India:	
Indian Posts and Telegraphs Department, New Delhi ...	A complete set of JubileeStamps.
Government of the North-West Frontier Province	Gandhara Sculptures.
Calcutta:	
P. N. Dutt Chowdhury, Esq.	(i) Kashmir Coat and Cap. (ii) Jaipur Turban.
London:	
Miss E. J. Boulton ...	Furniture made of Bombay Blackwood.
Imperial Institute	(i) Carved Marble Figure of the "Trimurti." (ii) Silver Bowl from Cutch. (iii) Silver Filigree from Orissa. (iv) Copper Tray from Kashmir.
Mrs. E. F. Sanders	Brass Jaipur Table.
T. J. Spooner, Esq.	Enlarged Photograph of the Taj Mahal.

Three new dioramas illustrating a Coffee Estate, Cotton Harvesting, and Carpet Making were made, and are now on display at India House.



[illegible]

[illegible]

APPENDIX A.

RANGE OF PRICES OF STAPLE INDIAN COMMODITIES IN THE UNITED KINGDOM DURING THE LAST THREE YEARS.

Commodity.	Unit.	1933-34.			1934-35.			1935-36.		
		Highest.	Lowest.	Difference.	Highest.	Lowest.	Difference.	Highest.	Lowest.	Difference.
1. Rice	shillings per cwt.	7/2	5/9	1/5	8/7½	5/7½	3/0	9/0	7/3	1/9
2. Jute	£ per ton	19/7/6	14/2/6	5/5/-	18/1/3	14/0/0	4/1/3	20/17/6	16/0/0	4/17/0
3. Castorseed	,,	11/7/6	9/3/9	2/3/9	13/7/6	9/5/0	4/2/6	14/6/3	11/7/6	2/18/9
4 Linseed	,,	12/13/9	9/2/6	3/11/3	12/17/6	10/10/0	2/7/6	13/7/6	11/1/3	2/6/3
5. Groundnuts... ...	,,	12/3/9	7/17/6	4/6/3	15/16/3	7/16/3	8/0/0	16/2/6	12/17/6	3/5/0
6. Groundnut cake ...	,,	6/13/9	5/12/6	1/1/3	7/7/6	5/5/0	2/2/6	7/0/0	6/3/9	16/3
7. Tea northern average	shillings per lb	1/5·65	-/8·98	-/8·67	1/2·21	-/11·10	-/3·11	1/5·52	-/11	-/6·52
8. Fine M.G. broach cotton	pence per lb.	5·76	4·03	1·73	6·19	4·57	1·62	6·48	5·19	1·29
9. Shellac	shillings per lb.	104/-	50/-	54/-	120/-	50/-	70/-	72/6	45/-	27/6
10. Tin	£ per ton	239	151	88	243	208	35	245	203	42
11. Lead	,,	13	10	3	12	10	2	19-10/0	11/6/0	8/4/0
12. Copper	,,	37/19/0	30/12/6	7/6/6	33/0/0	25/0/0	8/0,0	36/13/0	28/15/0	7/18/0
13. Zinc	,,	18/11/3	14/6/3	4/5/0	15/0/0	10/0/0	5/0/0	17/6/0	12/0/0	5/6/0
14. Manganese Ore (48-50%) per unit		10½d.	9½d.	1d.	11½d.	10¼d.	1¼d.	1/0	11d.	1d.
15. Wolfram (65%) per unit		1/17/-	10/3	1/6/9	2/7/0	1/16/0	11/0	1/17/3	1/10/3	7/0
16. Chromite (basis 48%) per ton		4/2/6	3/17/6	5/-	4/17/6	4/13/0	4/6	4/0/0	3/15/0	5/0

APPENDIX B—*continued.*

Commodity.	Unit.	From.	First Quarter of 1934	1935	1936
Castorseed ...	'000 tons	India	8.0	8.7	2.9
		TOTAL ...	10.1	10.9	5.0
Linseed Cake and Meal	'000 tons	India...	7.8	10.4	18.6
		U.S.A.	3.0	1.4	2.3
		TOTAL ...	16.9	16.5	23.3
Jute, raw... ...	'000 tons	India	77.2	68.0	78.2
		TOTAL ...	77.2	68.2	78.2
Cotton, raw under $1\frac{1}{4}$ inch and over $\frac{7}{8}$ inch	'000 Centals of 100 lbs	India	214.7	223.7	312.4
		U.S.A.	1715.2	1198.3	1595.0
		Egypt	350.7	235.0	230.1
		TOTAL ...	2671.9	2111.6	2638.5
Cotton, raw of $\frac{7}{8}$ inch and under	'000 Centals of 100 lbs.	India	174.9	220.4	336.0
		TOTAL ...	199.2	241.9	384.3
Wool other than Merino and Cross-bred	'000 lbs.	India	15.2	6.9	7.6
		Other British Countries	.9	1.6	2.8
		Argentine	16.4	7.2	8.9
		Other Foreign Countries	3.5	1.4	3.2
		TOTAL ...	39.2	19.0	25.9
Coir Yarns ...	'000 cwts.	India	29.4	41.0	37.3
		TOTAL ...	34.8	45.5	42.4
Coir mats and matting	'000 sq. yds.	India	1928.2	2174.1	2395.6
		TOTAL ...	1953.1	2188.1	2407.5
Jute Piece-goods...	'000 sq. yds.	India	20.9	17.1	34.1
		TOTAL ...	20.9	17.1	34.3
Jute Sacks & Bags	'000 cwts.	India	175.6	179.7	236.1
		TOTAL ...	184.1	183.1	244.9
Carpets	'000 sq. yds	India	407.9	442.8	399.5
		Russia	69.7	8.5	17.0
		Belgium	389.6	327.8	436.0
		Turkey	5.4	6.7	3.6
		Persia	122.6	87.8	131.4
		TOTAL ...	1131.6	998.0	1109.1

[illegible]

APPENDIX C.

Officers of the Trade Department of the High Commissioner for India serving on Empire and Trade Committees in the United Kingdom, March, 1936

This list does not include the Committees which are ordinarily attended by the High Commissioner personally.

Main Body	Committee or Sub committee.	Representative for India.	Capacity.
Imperial Economic Committee	—	D. B. Meek ...	Substitute for H.C.
"	Tobacco Sub Committee	"	" "
" "	Minor Forest Products	A. J. Gibson ...	Nominated by H.C.
Imperial Shipping Committee	—	D. B. Meek ...	Substitute for H.C.
Board of Trade ...	Advisory Council ...	"	Nominated by India Office.
Department of Overseas Trade	Advisory Panel ...	"	Personal, on invitation of Parliamentary Under-Secretary.
Imperial Institute	Governing Body ...	"	Substitute for H.C.
" "	Advisory Council on Plant and Animal Products	"	Nominated by H.C.
"	Advisory Council on Minerals	G. H. Tipper ...	Substitute for I.T.C.
" "	Iron & Ferro-Alloy ...	" ...	Nominated by H.C.
" "	Coal & Petroleum ...	" ...	" "
" "	Base Metals ...	" ...	" "
" "	Precious Metals	" ...	" "
" "	Chemical Industries ...	" ...	" "
" "	Miscellaneous Minerals	" ...	" "
" "	Hides and Skins Committee	Y. N. Sukthankar	Substitute for I.T.C.
" "	Vegetable Fibres Committee	" ...	" "
" "	Vegetable Oils and Oilseeds Committee	" ...	" "
" "	Silk Committee ...	" ...	" "
" "	Timbers Committee	Sir H. W. A. Watson	Nominated by H.C.
" "	Tanning Materials Committee	A. J. Gibson ...	" "
" "	Essential Oils and Resins	" ...	" "
Empire Cotton Growing Corporation.	Board of Trustees ...	D. B. Meek ...	Nominated by India Office
" "	Administrative Council	" ...	Nominated by Govt. of India
" "	Executive Committee	" ...	Nominated by India Office

APPENDIX D.

Indian Trade Commissioner.

Deputy Trade Commissioner.

- One Higher Executive Officer.
- One Executive Officer.
  - Four Permanent Clerical Officers.
  - One Temporary Clerical Officer.
  - One Shorthand Typist Clerk.

Timber Adviser.

Minerals Adviser.

Special Officer Shellac Enquiry.

Indian Trade Publicity Officer

- One Permanent Higher Clerical Officer.
- Two Temporary Clerical Officers.

[illegible]

(4) Control and supervise trade introductions and the card in
other systems for the recording of information.

(5) Issue on loan lantern slides, films and photographs.

(6) Distribute publicity literature.

(7) Arrange for the despatch of exhibits to exhibitions and fairs,

(8) Receive back all publicity material issued on loan and mainta
registers.

(9) Supervise the display of exhibits in the Exhibition Hall.

(10) Supervise arrangements for the display of Indian goods in th
mercial Samples Room.

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[illegible]

As an advertisement, the stand again proved a great success, and is undoubtedly the most satisfactory and the most attractive way of bringing to the notice of buyers from all over the world and the public in general, the Indian handicrafts for which we wish to secure a market or to secure new connections for goods already placed on the market.

It is unfortunate that even the increased space allotted for the Indian section by the Exhibition Authorities is still limited. So far as I am directly concerned it seems probable that two other provinces besides Bihar and Orissa and Madras would be prepared to take space for the Fair in 1937, and I am prepared to bespeak a space of at least 36 ft. by 16 ft. or 20 ft. for the joint provincial stand next year.

I would commend to the Trade Commissioner that immediate steps be taken to secure a larger space for the All-India Stand at the next Fair, for which applications have already been asked by the Exhibition Authorities.

I have to acknowledge with grateful thanks the assistance given me by Mr. Asli in the preliminary arrangements in connection with the provision of space and the construction of the stand, and for the help given to me during the Fair and at the times of decorating and dismantling the stand by Mr. Nair, Mr. Chatterji and by Mr. Bryant.

(Sgd.) E. C. RYLAND.

139/3/53—750—10/36—H. & H.G.P.—82483

All Indian Official Publications

Obtainable

In Europe and America,
Office of the High Commissioner for India,
Public Dept., India House, Aldwych,
London, W.C. 2,
or through any bookseller.

In India,
The Manager of Publications,
Civil Lines,
Delhi.

and

Survey of India Maps.